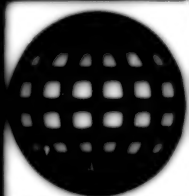


PRS-EER-92-039  
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# ***JPRS Report***

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## **East Europe**

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# East Europe

JPRS-EER-92-039

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30 March 1992

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### **Macedonian Daily on Relations With Bulgaria**

92BA0597A Skopje NOV 4 MAKEDONIJA  
in *Macedonian* 29 Feb 92 p 1

[Commentary by Dimitar Chulev "Now We Expect Action"]

[Text] The visit that Stoyan Ganev, Bulgarian minister of foreign affairs, paid to the Republic of Macedonia, and the series of talks he held with Gligorov, Andov, and Prime Minister Klusev, as well as with his host, Minister Maleski, indicate, if nothing else, that Macedonia and Bulgaria can and must communicate with each other. This is seen also in the principled agreements to eliminate the "historical frustrations," as they are known, and also the intention not to emphasize or question the issue of boundaries and the agreement of both sides to dismantle the Balkan "powder keg." All of this was quite well explained by Minister Maleski, who said that "having lived the history of the Balkans, and even though only statements are being made, the political representatives of the Balkan nations are adopting the principles of democracy and respect for human rights and a market economy which is a good step!"

What was being said yesterday in Skopje, in European style, is very welcome, the more so since an agreement on such matters will open the door wide to collaboration between the two neighbors. Agreements were reached on establishing more frequent contacts and cooperation, above all on the economic level, in which area Bulgarian Minister Ganev specifically suggested the establishment of a kind of business forum for market-oriented economic managers from either side of the border to identify specific opportunities for exchanging industrial products, materials goods, and capital. The possibility of providing information facilities for both countries was mentioned as part of such cooperation, although, for the time being, it is no more than an idea.

Such was the level reached in the course of several hours of discussions, quite adequate based on the criteria of the European way of communicating and living, which will be applied. Now we must wait for actions to follow.

The reason is that it was precisely at yesterday's press conference that it became clear that the road from an idea to its specific implementation is very long, and that there still are a number of issues that must be clarified before actions may follow statements. We believe there still are some issues that are stumbling blocks for both countries and that will unquestionably be a hindrance in developing comprehensive neighborly coexistence between Macedonia and Bulgaria.

An example of this is the issue of the "Bulgarian population living in Macedonia," which was "naively" raised by a Bulgarian radio journalist. We cannot escape the impression that the Bulgarian side raised this question of the status of "its own" population in the Republic of Macedonia, expressing a clear doubt as to the number of individuals who identified themselves as Bulgarian in

last year's census. Maleski's answer that "they are as numerous as they claim to be," which, actually, is consistent with Macedonia's intention of respecting minority rights thoroughly and in their entirety, something that was also discussed at the meeting between Gligorov and Ganev, did not encourage the other side to make its own views known equally promptly and extensively in answering the same question about Macedonians in Bulgaria and their rights. The extensive explanations pertaining to this familiar topic, which easily revealed the familiar Bulgarian views on this problem, as presented by the head of the Bulgarian diplomatic service, were concluded with the progressive thought that "every individual has the right to determine what and who he is, where he comes from, and where he goes." This was added to the well-intentioned remark that politicians do not intend to engage in "the study of history," especially not on the issue of the Macedonian minority, which, as he himself pointed out, does exist "according to some."

What that answer lacked was a hoped-for simple start! It was anticipated, bearing in mind the equivocal attitude of the Sofia authorities, even now, when Europe is seized with the problem of the recognition of Macedonia and after Bulgaria has stated that it recognizes Macedonia and the three other republics of former Yugoslavia that have expressed the wish to pursue their lives as independent and sovereign countries.

Hence, the question is whether the statements by the Bulgarian minister are consistent with the new stance taken by official Sofia, which should be considered as a kind of guarantee that it is indeed true that new winds are blowing from the East, or that there is an unreadiness to directly answer the question of whether there are Macedonians in Bulgaria and whether such Macedonians could identify themselves and thereby suffer for it, that is the other side of the coin. Therefore, it remains for Bulgarian foreign policy, on the basis of actions, on the basis of adopting a new and practical attitude toward Macedonia and the Macedonian people, to make us believe what Minister Ganev said in Skopje.

### **Turkish Army General on Visit to Bulgaria**

41 2603170992 Sofia BULGARSKA ARMIYA  
in *Bulgarian* 23 Mar 92 pp 1-4

[Interview with Army General Fikret Kupeli, deputy commander of the General Staff of the Turkish Army, by Lieutenant Colonel Vlado Vladkov, place and date not given "I Will Remember My Visit With Love"]

[Excerpts] A Turkish military delegation led by Army General Fikret Kupeli, deputy head of the Turkish Army General Staff, visited Bulgaria from 15 to 19 March. Toward the end of his visit, Gen. Kupeli was kind enough to answer questions posed by a BULGARSKA ARMIYA representative [passage omitted]

[Vladkov] During your visit to Bulgaria, you visited several garrisons. What are your impressions of our Armed Forces?

[Kupeli] I visited artillery and tank forces. The level of officer training is very high. They can implement any task with which they are entrusted. I also have very good impressions of your marines. Their behavior indicates that they are very disciplined and good professionals. One notices that your training is comprehensive and scientifically based.

[Vladkov] Mr. Army General, how do you assess the role of the military in the process of improving relations between our countries?

[Kupeli] I think the military now has a greater role than the civilians in our countries coming together. Within a very brief period of time, Colonel General Petrov and Lieutenant General Topalov on the one hand, and Army General Gures and I, on the other, created good conditions of fruitful cooperation. We even signed several important documents. There is no civilian department in which the bureaucracy assumed such responsibility. Indeed, they have done precious little until now.

[Vladkov] How do you see our future cooperation in the area of military industry?

[Kupeli] This time I did not get acquainted with your defense industry. However, it is beyond any doubt that our military industry is very advanced. We produce the F-16 fighters and armored personnel carriers, we modernize tanks and produce all kinds of communication means and ammunition. Your weapons came from the

Warsaw Pact, ours come from NATO. It is the experts who could decide how to cooperate in this area. [passage omitted]

[Vladkov] Mr. Army General, finally there is a more delicate question. You are aware of our public's concern evoked by the incidents with the Turkish fishing boats in the Black Sea. Could you calm the people who would like to hear your opinion?

[Kupeli] The Bulgarian Armed Forces and people must be sure that Turkey's friendship is sincere. Turkey does not want any problems. The cases you referred to involve illegal fishing. We sincerely wish that there were no such incidents. However, those are things that exist in all countries that have a common border. One should not exaggerate the problem. Nevertheless, I promised that, as soon as I return to Turkey, I will pose the issue to the appropriate people in our government and, most of all, to the Coast Guard Command. I will ask them to adopt measures that will not allow the recurrence of such incidents.

However, I as an officer cannot promise that there will not be any additional cases. The violators are hotheads who have difficulties accepting any regulations. The area of the violations is a disputed zone. They think that it is our territorial water. The Bulgarian and Turkish experts must meet, and then the problem will disappear.

I have been in Bulgaria for four days already. I saw many things. I am happy to have met so many colleagues. I made many new friends and will remember this visit with love. I wish the Bulgarian people and its Armed Forces a peaceful and calm life.



### **Duma Publishing House Questions Prime Minister**

AU2603170592 Sofia DUMA in Bulgarian 23 Mar 92  
p 1

[Undated open letter to Filip Dimitrov, prime minister of the Republic of Bulgaria, from the Duma Publishing House]

[Text]

Mr Prime Minister:

On 15 March 1992, you sincerely informed the editor of THE TIMES that the letter sent to him by the chief editor of DUMA "does not reveal the facts." At the same time, you assert that "the DUMA newspaper has not been confiscated. It continues to be issued by the former Communist Party, which is now known as the Bulgarian Socialist Party [BSP]. Moreover, the paper has retained all rights over the title DUMA, all receipts from subscriptions, and, more important, complete editorial freedom."

With the aim of helping the Bulgarian public also to understand the truth about the Duma Publishing House, please answer the following questions:

1. Who is the owner of the Duma Publishing House and who has the rights to the titles of the newspapers published by it and the subscription receipts, since 19 December 1991, when the Law on the Property of the Bulgarian Communist Party [BCP], the Bulgarian National Agrarian Union [BZNS], the Fatherland Front, Dimitrov Komsomol, Fighters Against Fascism and Capitalism Union, and the Bulgarian Trade Unions came into force?
2. Do you consider that publishing activity, especially that relating to a newspaper, is part of the normal activity of any political party and of the BSP, in particular?
3. Did the Council of Ministers fulfill its obligation under the Law on the Property of the BCP, the BZNS, Fatherland Front, Dimitrov Komsomol, Fighters Against Fascism and Capitalism Union, and the Bulgarian Trade Unions, prior to 19 January 1992 and before issuing the order on the confiscation of the Duma Publishing House, to provide the BSP with the premises and chattels it needs for carrying out its work, including its publishing activity?
4. Will the formation of a cooperative or a trading association (as Mr. Eskenazi advises) by the collective of the Duma Publishing House constitute the appearance of a new legal person that is completely distinct from the Duma Publishing House and does not hold rights to the titles of the newspapers published by the latter and their subscriptions?

5. Is it lawful for this new legal person to make direct use of the material facilities and monetary funds of the Duma Publishing House?

We thank you in advance for your answers to our questions.

### **BSP Faction Publishes Alternative Program**

92BA0524A Sofia DUMA in Bulgarian 8 Feb 92 p 6

[Statement by the leadership of the Union for Social Democracy on the occasion of the 8 Feb 1992 Plenary Session of the Supreme Council of the Bulgarian Socialist Party, BSP: "Two Political Tendencies in the BSP"—first four paragraphs are DUMA introduction]

[Text] The decision of the 40th Party Congress to organize and conduct an ideological discussion within the party will be debated at today's Plenary Session of the Supreme Council of the BSP [Bulgarian Socialist Party]. The discussion will deal with problems connected with the nature and future development of the BSP and with the main tasks the present situation imposes on it.

For this reason, DUMA is publishing "Two Political Tendencies in the BSP" as the newly created Union for Social Democracy [OSD] sees them. The editorial board hopes that this publication will enable both the BSP and the members of the party to orient themselves better in the expected ferment of the discussion.

The editorial board does not take a position on the document because it does not wish to influence the coming discussion with its opinion. Also, for the same reason, it will not publish discussion materials so as not to engage in single combat or opposition with one position or another. We hope the readers will approve of the intentional neutrality of DUMA, which seeks only a peaceful course of the discussion. Ultimately, when the discussion is over, the journal will publish a summary of the results.

All opinions that seek a public forum and defend different positions within the framework of the discussion may be sent to the editorial board of the journal S-FORUM for printing.

[DUMA] Will you, from the Union for Social Democracy, who signed the alternative, split up the party?

[OSD] No.

[DUMA] Will you change the name of the party?

[OSD] No.

[DUMA] What do you intend to do?

[OSD] We do not just intend to do something. We are working for changes in the party.

[DUMA] For what change inasmuch as this is after the 39th Congress?

[OSD] We are for real change

[DUMA] Doesn't it look like we did not do anything after 10 November?

[OSD] It does not look like that. The BSP appealed for civil peace and did much for the new Constitution but fell significantly behind in its own changes.

[DUMA] Do you know what? Why don't you reject this verbal balancing act and these battles over the leadership and acknowledge that there are not two lines, both the one and the other are good, but you are being torn apart by personal differences and ambitions? (Loud applause on the part of the party.)

[OSD] Yes, you have heard that for almost two years now, and you believe it, but we will disappoint you. There has been one leading political line up to now, and there is another one, which is still being formulated and which was presented at the congress by the alternative.

[DUMA] Some of the current leaders in the party say that the political reports of the congress and the alternative do not differ and are one and the same. Is this so?

[OSD] The allegations are meaningless here. You have to check it out yourself. If you look at the events, the evaluations, and the arguments during these two years, you will see that this is a matter of significant differences and not one and the same thing.

However, if you really want to check this out, read the text that follows. It returns us to things we have already lived through and raises many questions for all who are ready to think about it.

[DUMA] What does it mean that you accept the alternative?

[OSD] This may be seen in the following paragraphs

#### **Acceptance of the Alternative Means**

##### **I. In Relation to the Events During These Two Years in Our Country**

###### **1.**

Yes to: considering 10 November 1989 as a beginning of the democratic process, an opportunity for the party to begin profound internal changes.

No to: the gradual devaluation of the political capital of 10 November, reducing it to a chronological point in our most recent history

###### **2.**

Yes to: the necessity that, as soon as possible, we ourselves give up state property together with the party building, that we settle the matter responsibly and thus vindicate a large electorate

No to: drawing out the difficult problems with the assurance that, no matter what we do, much the same

would happen, which leads to the premature coming to power of a dangerous political force.

###### **3.**

Yes to: disagreeing with the breakup of the clubs in the summer of 1990

No to: minimizing the shortsighted breakup of the clubs as some kind of misunderstanding.

###### **4.**

Yes to: condemning the coup attempt in Moscow on 19 August last year, the attitude toward which was a test in democracy for the party

No to: the stubborn reluctance to acknowledge the erroneous position of the BSP then, and at every subsequent opportunity to assert that our reaction was correct

###### **5.**

Yes to: considering the elections in 1991 to be a loss of 1 million voters and creating a situation unfavorable for the nation and the party

No to: the political report of the 40th Congress, which evaluated the elections in 1990 as a favorable short-term plan and a successful strategic plan

###### **6.**

Yes to: collaborating with the parties from the Center and accepting responsibility for the conditions unfavorable for them, which we established for the 1991 elections

No to: underestimating the broad coalition with the Center, hindered by our bolshevism and delaying the solution of the "difficult" questions for the BSP

###### **7.**

Yes to: recognizing the role of the social democratic group of Europe in the democratization of the party and, especially, of the parliament

No to: isolating the representatives of the social democratic group of Europe from the pre-election lists of the BSP in the 1991 elections

##### **II. With Respect to Understanding the Processes in the World and in Our Country**

###### **1. (8.)**

Yes to: a basically positive attitude toward the historical processes that have created conditions for effective, profound democratic changes in the socialist idea, Eastern Europe

No to: the nihilistic attitude toward the profound historical changes in Eastern Europe explaining them by means of subjective reasons, reluctance to acknowledge the fundamental, objective need for them

2. (9.)

Yes to: regarding T. Zhivkov as the leader of the neo-Stalinist regime in our country, a usurper of political power, responsible for the moral decay in the party

No to: avoiding an accurate and uncompromising evaluation of T. Zhivkov, attempting to talk about him as about an objective politician.

3. (10.)

Yes to: the critical attitude toward the communist parties in Europe, which are incapable of dealing with reality

No to: the president of the 40th Congress's citing them as examples of positive development, the traditional collaboration with them.

4. (11.)

Yes to: the features the BSP has in common with related parties from Eastern Europe (in spite of individual differences), and that Bulgaria has in common with other Eastern countries.

No to: the thesis that Bulgaria is an island, and the BSP is an exceptional phenomenon, which gives it the ability to maintain positions that destroyed the other related parties

5. (12.)

Yes to: maintaining the ideas and ideals of social democracy in the party

No to: phrases of the type of "modern, leftist party" without specific content

III. In Relation to Social Democracy

1. (13.)

Yes to: the values of democratic socialism, adopted at the 14th and 30th Congresses, which politically recognize the acceptance of leftist social democracy

No to: the silent revision of the 14th and 39th Congresses, completed in the political report of the 40th Congress, the replacement of democratic socialism with socialism, the illusion that we have surpassed social democracy

2. (14.)

Yes to: the social state as an achievement of the socialist and social democratic parties in Europe

No to: separating the social state from social democracy, representing it as a kind of discovery of ours, populism and unrealism

3. (15.)

Yes to: union with social democracy, freed from anti-communism, in Bulgaria and Europe

No to: the general repudiation of social democrats as enemies (General Party Conference 1991); the Stalinist attitude toward social democracy

4. (16.)

Yes to: designating the democratic socialism accepted by the Social Democratic International as a basic goal of the BSP

No to: the proposed rejection of democratic socialism in the political report of the 40th Congress and replacing it with socialism plus democracy

IV. According to the Chapter of the BSP

1. (17.)

Yes to: the party as a society of ideas, ideals, people and actions, national, parliamentary, a broad-based movement, democratic

No to: the post-communist-party model, indicated in the political report to the 40th Congress, with a concealed but living democratic centralism, with a guiding leadership

2. (18.)

Yes to: democratism in the party, voluntarism, annual registration, rejection of punishments, with the right to terminate membership only by personal desire

No to: the gradual erosion of the democratic principles of the 14th Congress, subordination of some groups to others, of some members to others, impairment of personal freedom and independence (Articles 11, 16, 17)

3. (19.)

Yes to: the organizational diversity and autonomy of party structures based on our social ideas and ideals

No to: the ideology as a model imposed on the society and the party, strict regulation of party structures and organs

4. (20.)

Yes to: participating in the formulation of the party line, participation, party self-control, tolerance, and spontaneity in association with others

No to: leadership, paternalism, passivity, dependence on the Center, the infallible leader, bolshevik habits (Article 4, No. 2), regulations (Article 4, No. 5), and exhortations of a general nature (Article 5, No. 2)

5. (21.)

Yes to: the personnel of democratic socialism, separation from the habits and the people in control in the past, the development of political, sociable personnel with civil courage and bravery

No to: personnel of low intellect and poor theoretical training, with personal loyalty and obedience, strengthening the polarization with bolshevik arrangements, unprincipled combination of personnel of old and new types.

#### 6. (22.)

Yes to: the formation of governing structures by rotation from among elected personnel (mayors, councillors, deputies, presidents).

No to: the Stalinist approach toward advancement within the party, toward nondemocratic organization of the party (plenums, offices, and so forth), leading to absurdity today.

#### 7. (23.)

Yes to: the election of a leader from an effective body (plenum, council) lead by him, guaranteeing real responsibility.

No to: the unaccountable leader, chosen from a body that he does not lead (Congress, Conference Article 27, No. 5, Article 40, No. 5) and of which he is not a member.

#### 8. (24.)

Yes to: the transfusion of the power in the party between its representatives to the government and parliamentary bodies and the party leadership.

No to: the entire power in the highest effective body (the recent Politburo).

#### 9. (25.)

Yes to: a fundamentally new charter, aimed at the future of the party as a parliamentary force in a democratic society.

No to: the preserved and partially remade principles of our recent laws in the current charter, in which the party has not separated itself from its past.

### V. The Struggle for Opinions Within the Party

#### 1. (26.)

Yes to: the clash of opinions in the party in the conditions of glasnost and openness as a normal, moral political act.

No to: the division of the people into traitors and saviors, depending on whether or not they agree with the official opinion of the party.

#### 2. (27.)

Yes to: recognizing two political lines in the party, especially after the 40th Congress.

No to: rejecting the alternative as a political line and asserting what was contained in the political report of the 40th Congress.

#### 3. (28.)

Yes to: ideological and theoretical inquiries as a concern of all schools of thought in the party, as a fruit of discussion.

No to: monopolizing the ideological inquiries in a special center and nondemocratic setting, one person in this center above the party organs.

### VI. On the Policy of the Party

#### 1. (29.)

Yes to: participating in elections for victory, the struggle for parliamentary power as a goal of the party.

No to: the idea, undeservedly attributed to the reformers, of a policy of turning into an opposition after the 39th Congress.

#### 2. (30.)

Yes to: openly declaring that we will defend democratic socialism in the society, based on private property with a market economy.

No to: the illusion that features of the recent model of socialism can be preserved, no to prolonging privatization.

#### 3. (31.)

Yes to: addressing the interests of the 40 percent of the electorate outside of the party, communication with it.

No to: concentrating all discussions of the party within it with its bolshevik core.

#### 4. (32.)

Yes to: guiding the policy toward the cooperatives, companies, and new economic forms, which provide a living for socialists and sympathizers, victims of the political firings.

No to: the policy of preservation of unexpressed defense, of useless protests, of speaking but not acting, and no to the policy of creeping after events, of the "post factum" policy.

#### 5. (33.)

Yes to: converting the party into a leftist social democratic party, answering leftist hopes for Bulgarian society.

No to: the morbid fascination of the party with the hope of preserving it, hiding behind the phrase "modern, leftist party," concealing a nostalgia for the past.

• • •

Truly it is not a matter of a verbal balancing act but of two views of our policy, of two competing political lines. In our opinion, the discussion has to continue, but, at the 40th Congress, it did not lead to a conversion to the new

line but wagered on the former policy, which already has accumulated a lot of weaknesses.

We understand well that some people in the party do not look favorably on discussions about another political line because these are the traditions. However, today we do not need uniformity of thought but uniformity of action. And, before this, we need a clear picture of what has to be done. We cannot continue with vague formulations and with trailing after events. We need energy and bravery in order to achieve the clear goals of democratic socialism.

We know that rumors about the disintegration of the party are being spread persistently. This is intentional manipulation of public opinion in the party in order to evade the discussion. Do not believe these stories. Discussion is necessary—and immediately—because the problems are many and concern the past, the present, and the future.

We from the Union for Social Democracy do not fear the insinuations directed toward us. When it was hard during these years, we were always among the people, we fought for the elections and the preservation of the party, we stood on the firing line, as opposed to some who now ardently attack us.

We know that some, against whom there are no arguments, will declare that to be heresy, but, for anyone who has a head on his shoulders, it is clear that here there are questions, there are answers, and there is sense. The other is arguing, from which the party loses. We have faith in the support of all thinking, honest people in the party.

#### OPT Deputy Discusses Meetings in Greece

92BA0569A Sofia ZORA in Bulgarian 11 Feb 92 p 10

[Interview with Mincho Minchev, deputy of the Fatherland Labor Party, OPT, by Margarita Vurbanova, place and date not given. "About Greece: Something Like an Old Love and Hate"]

[Text] [Vurbanova] Mr. Minchev, the editors are continuing to receive letters that make it clear that a large number of people erroneously believe you to be the editor in chief of the newspaper ZORA. This should be the topic of another discussion in the course of which you will clarify matters with poet Mincho Minchev. Actually, it seems that the need for a broader meeting by many Minchos has come. It would be interesting to find out who is who. However, let us today discuss your impressions from your visit to Greece as a member of the group of the Parliamentary Union for Social Democracy [opposition group that includes the Bulgarian Socialist Party]. What can you tell us?

[Minchev] I can tell you a small story. There are little houses almost on the very edge of the beach, each with its original features, overlooking a calm and clean sea. I

was amazed at the abundance, the quality, and the prices of commodities, naturally. There was everything.

[Vurbanova] Let me caution you that all you can have are about 80 column lines, so it would be best to speak of your political encounters.

[Minchev] Very well. The first—let me call it a business lunch—was with members of the United Left. This is a seceded right-wing part of the Greek Communist Party and a part of PASOK [Panhellenic Socialist Movement]. We clarified our views on different matters: democratic processes, their structure, their attitude toward Macedonia... I will later sum up the viewpoints of all of the political forces with which we met that dealt with this problem, because they were all the same.

[Vurbanova] Which was?

[Minchev] They believe that Bulgaria has been too hasty in taking a position. Let us proceed in sequence. During the luncheon, a deputy from New Democracy arrived—that is, from the other side. Relations between the two groups are quite unusual in terms of relations between political opponents. The gentleman from New Democracy invited us to dinner. Our discussions covered the virtually identical range of issues. New Democracy asked for yet another meeting, this time in a smaller circle and absolutely with all representatives of the different parties within the Union for Social Democracy. Our encounter with PASOK also took place in a friendly atmosphere. We also visited the Greek Parliament. To our surprise, the entire group was invited by the Ministry of Foreign Affairs, something considered a mark of exceptional attention. A news conference was organized for us. But let me go back to the second meeting with New Democracy. In my view, it fully shares our concepts on the development of democratic processes.

[Vurbanova] You mean democratic processes in Bulgaria?

[Minchev] You see, they are too delicate to express specific views. My opinion, however, is that they are somewhat disappointed by the SDS-DPS [Union of Democratic Forces-Movement for Rights and Freedoms] coalition. Let me repeat—they did not express their view in such a categorical fashion. A question was asked about Turkish policy in the Balkans. The people who were present included the organizational secretary of New Democracy, the heads of their international relations, and deputies. They said that Turkish expansionist policy has long been known. In terms of ethnic problems, they said that there are no minorities in Greece and that individual rights are respected.

[Vurbanova] Let us be specific—"they" meaning New Democracy?



[Minchev] Yes, they said that there are no minorities in Greece. There are Greek citizens, and all of their individual rights are guaranteed by the Greek Constitution. New Democracy opposes any sort of collective rights based on ethnic affiliation.

[Vurbanova] Is there a party in Greece that supports collective rights of minorities?

[Minchev] I do not know of any. However, the three parties with which we met categorically opposed collective rights.

[Vurbanova] What was it that interested the Greek politicians the most?

[Minchev] I was left with the impression that they are seriously concerned about what they consider hasty recognition of Macedonia, the more so because Stoyan Ganev had said that we would be the fifth country to grant recognition, and we turned out to be the first. At the Ministry of Foreign Affairs, there were some rather rude questions asked by the journalists, such as, "Is it true that your president wears a fez in his heart?" The deputy minister of foreign affairs (a lady) rejected the question and called for proper behavior. The very fact that this was asked so openly is in itself indicative. That news conference was attended by crews of several television stations, which recorded the entire conference. As you know, Mr. Velko Vulkanov was with us. A number of questions were addressed to him. It was believed that he had won the elections because the Turkish Party had given 8 percent of the vote to Zhelev. This was their opinion.

[Vurbanova] Once again, who are "they"?

[Minchev] Once again, all three parties with which we met. Let me make a point, however, of noting their friendly attitude and the very good prospects for our relations with Greece, even in this situation. Naturally assuming that we change our Balkan policy somewhat.

### Functions of Ministry of Trade, Industry

92BA0571A Sofia BULGARIAN BIZNES in Bulgarian  
3 Feb 92 p. 2

[Article by Dimitur Khadzhinikolov "The Supertasks of a Superministry, or How the Ministry of Industry and Trade Must Gradually Cut Off Just the Branch It Is Sitting On"]

[Text] By resolution of the National Assembly on 8 November 1991, the creation of the Ministry of Industry and Trade (MIT) was decreed. The resolution was implemented with Council of Ministers Decree 249 of 30 December 1991.

Now the structure and functions of the MIT are already clear. The superministry has begun its present tasks.

At a press conference especially organized for this occasion, the chief functions and structure of the administration were described. It was clear that four main directorates were created.

The first of these will be concerned with the structural reorganization of industry and trade. It will have five offices and 120 employees.

For a start, an analysis will be made of the condition of state firms in order to decide which should be closed and which should be "structurally reoriented." In other words, a state strategy will be developed in the area of industry and trade. This will happen according to branches. That is why the five offices are also organized according to branches: structural and technological restructuring in heavy industry, light industry, the food-processing industry, special production (military-industrial complex), and trade.

In some cases, some developments have already been made. This concerns, for example, ore mining, lead-zinc production, uranium mines. Special attention will have to be paid to electronics.

In the context of structural reorganization, one must not underestimate the basic problem—privatization. One of the functions of the MIT is to assess the proposals received for privatizing. Of course, at the ministry, they are impatiently awaiting the passage of the corresponding law (as is well known, besides the government and the opposition, a team led by Mr. Michkovski, chief of the Economic Commission, also has bills on this issue).

The first directorate is led by Deputy Minister Spas Spasov.

The second directorate is concerned with solving the financial-economic problems of the state sector. Fifty-one persons work in this area. Its structure includes three offices. The first is called "Financial-Economic Analyses and Regulators," the second is "Credit Relations of the Firms," and the third is "State Participation in Commercial Companies."

The chief functions of this directorate are: an analysis of the financial condition of private commercial companies, control over implementing the programs for financial recovery, the preparation of proposals for economic regulators for state influence on the economy (read taxes!), macroeconomic studies of the connections between the development of individual branches of industry and the entire economic life of the state, and so forth. This directorate is led by Mr. Grigori Vazov.

As an inheritance from the closed Ministry of Foreign Economic Relations, the MIT received its third directorate. It provides work to 90 specialists, divided into five offices: "International Financial and Economic Cooperation (relations with the World Bank, the European Bank for Reconstruction and Development, the

financial programs of the European Community), "Economic Cooperation With Countries With a Market Economy," "Economic Cooperation With Countries in Transition" (providing mostly for the former socialist countries), "A Foreign Commercial Regime" (here licenses are issued) and "Foreign Investments and Joint Companies."

As head secretary of the MIT Mr. Dochev mentioned at the press conference, the superministry will develop the entire commercial policy of Bulgaria, while making no division between domestic and foreign commercial activity.

The MIT will have to share its capacities with two other ministries—the Ministries of Foreign Affairs and Finance. With the Ministry of Foreign Affairs, they will have to come to an agreement on the duty of the commercial and economic services toward our embassies. On the one hand, these services are directly subordinate to Minister Cranev; on the other, however, they will have to prepare market analyses from the respective countries for the MIT.

Collisions with the Ministry of Finance are possible with the regulation of foreign investments and joint companies—an activity that is currently divided between the MIT and Mr. Kostov's administration.

The Foreign Economic Directorate at the MIT will be led by Deputy Minister Stanislav Daskalov.

The fourth directorate will be concerned with interbranch relations. According to the ministry leadership, state firms must be assisted to develop their ties to firms from other branches in the current "conditions of transition." The directorate will include two offices: "Interbranch and Industrial Relations" and "Labor Resources and Social Policy." The strength of this directorate is 75 persons.

The chief function of the interbranch section of the MIT is well known from its recent past—the preparation of various balances. These will cover mainly raw materials and resources, as well as the production of "socially significant goods"—mostly food products. The difference, according to Mr. Dochev, is that now the balances will only be for "information," while the firms will not have their hands tied (nor will they be assured the notorious "limits").

Regional concepts for development will also be formed while emphasizing the optimum combinations of economics and ecology.

Besides the four directorates mentioned, there will also be several independent offices. Two of these deserve special attention. The first is concerned with the administration of the fund for structural and technological policy, which this year will have 50 million leva. This will be used mainly for scientific development for ties between industry on the one hand, and ecology, health services, and the social sphere on the other. And also for

developing a national structural and technological policy for the conversion of military production.

For private business, the second fund is more important—for the small enterprises. Its budget is rather modest—only 17 million leva. Distribution of the money will take place on a competitive basis, and the projects will be evaluated by the fund's Administrative Council.

The MIT already employs approximately 555 persons. Curiously, the activity of this administration would have to submit to the principle of self-restraint of its functions. In other words, the more successful its activities are in building market mechanisms and privatization, the smaller its capacities and functions have to become (and that means its personnel and its budget, too). Here is the crux of the question: Will the ministry succeed in outstripping its narrow departmental interests and not begin to develop along the familiar Peter Principle of self-inflated administrative structures?

## Developments in Banking, Financing

### Elektronika Bank

22B405734 S. 1a BULGARIAN BUSINESS in Bulgarian  
17 Jan 92

[Interview with Toshko Poptolev, chief accountant at Elektronika Commercial Bank, by Ekaterina Panayotova and Ventsislav Kirilov, place and date not given. "For the Time Being, the Bank Reform Is Foggy and Unclear"]

Text [BULGARIAN BUSINESS] What is your view on the coming bank reform?

Poptolev: At the present time, the bank reform is foggy and unclear because we do not know what kind of bank law will be passed, nor are the intentions of the consolidation commission clear. Personally, I would imagine the reform to be as follows:

First, the BNB [Bulgarian National Bank] would set the level of minimal capitalization of the banks, which would ensure their capital stability. Then the possibility should be provided (time for action and legal base) for the stockholders of the banks themselves to determine how to meet the requirement of the BNB, whether the banks should merge and thus increase their capital or issue new shares of stock.

On a parallel basis, we would hope that a securities market would be developed, on which the banks could offer their stock on the real market. This would sift out the commercial banks. Those that cannot be competitive under market conditions would drop out. My view is that some banks would even go bankrupt. In the course of this technological process of bank consolidation, the holdings commission would find its proper place.



[BULGARSKI BIZNES] It is no secret that, in just a few days, during the so-called bank reform, many new millionaires will appear. What do you think of this?

[Poptolev] Let them appear. The more millionaires that represent a nation, the richer the nation becomes.

[BULGARSKI BIZNES] The Law on Banks and Credits has still not been passed. What are your expectations?

[Poptolev] A number of draft bills have come out, but so far, not one has reached the parliament. The latest one I saw could not have been invented even by Stoyan Ovcharov himself. This draft legal act could be confidently described as the law on the branches of the Bulgarian National Bank. The draft law would make the commercial banks entirely dependent on the National Bank. They would have to turn to the BNB before making any decisions.

[BULGARSKI BIZNES] What kind of fiscal year did Elektronika TB [Commercial Bank] have?

[Poptolev] The year 1991 was a difficult one for the entire economy, and Elektronika TB was no exception. Although it is being said that the banks are ripping off the enterprises and that they are the richest of all, I think that the profits, which will be made public after a while, will be consistent with the conditions, which have changed radically (a high consumer price index). We expect our balance-sheet profit to be about 120 million leva, which is four to five times higher than the base for 1990. Compared to inflation, however, we consider it low. Furthermore, we take into consideration uncollected loans and credits to enterprises and companies. For the time being, Elektronika has no intention of pressing them to pay but is only seeking ways to help them.

The "original" legal stipulation introduced in our country made us feel like people in a stupor, conscious yet unable to decide what to do. However, in my view, the last fiscal year was a good one.

[BULGARSKI BIZNES] Therefore, what kind of dividends can your stockholders expect?

[Poptolev] The stockholders themselves would like to reinvest their dividends in the bank. Most of our stock is owned by companies in the electronic sector. Some stockholders also include agricultural enterprises, food-industry companies, and a substantial number of private companies.

[BULGARSKI BIZNES] What are your bank's specific tasks this year?

[Poptolev] Because Elektronika TB has only five branches at present, our ambition is to open more branches during the new year. Some of them will specialize in working with private citizens because our aspiration is to develop relations between the bank and private citizens. The share of private companies we are servicing has exceeded 70 percent, which is why it is the

bank's ambition to create a new special branch to deal exclusively with private companies. We would like to have a separate consultant for each company because a high percentage of our private businessmen lack the necessary economic knowledge and need greater attention.

Furthermore, we are very interested in having foreign investors prepared to mount joint operations with us. I hope that once the new law on foreign investments has been passed, we shall be able to undertake specific actions.

[BULGARSKI BIZNES] How is your bank participating in the country's economic life?

[Poptolev] Elektronika TB owns shares in 22 enterprises, including several banks. We own a substantial portion of the Pharmaceutical Chemicals Plant in Burgas, and we own shares in plants in Khaskovo and Kharmanli. The viewpoint of the bank's administrative council is that the most profitable of all is our participation in light-industry plants because of their fast-selling products. Elektronika TB is also a stockholder in the now developing First Bulgarian Securities Exchange. Our participation in it is limited because of the low degree of liquidity of invested capital.

#### Biokhim Bank

92B40573B Sofia BULGARSKI BIZNES in Bulgarian  
3 Feb 92 p.4

[Article by Ekaterina Panayotova and Ventsislav Kirilov. "Biokhim Would Like To Purchase Banks"—first paragraph is BULGARSKI BIZNES introduction]

[Text] Biokhim is not willing to merge indiscriminately, according to Boris Mitev, president of the bank.

Biokhim TB [Commercial Bank] will report to its shareholders a very good 1991 fiscal year, according to Mitev. Despite the difficult situation of the companies in the country, the balance sheet profit of the bank is higher than in 1990 by a factor of about 7 to 8 and, in terms of absolute figures, will be between 330 and 370 million leva, according to the bank president. He regretted that one-half of this amount will be paid to the budget as profit tax. After the Pushkarov and Kostov ministries decided that the state would take over some of the uncollectable loans made to the huge socialist enterprises, all Biokhim TB received was 75 million of the 19 billion written-off debts.

Considering the good financial results, the administrative council of Biokhim TB will vote a dividend to its shareholders, which will come close to the average basic annual interest rate. Mr. Mitev believes that it is not mandatory for a bank to pay dividends equaling the average annual basic interest rate because, in principle, one does not buy shares for the sake of dividends but for value increases. The fact that the securities exchange in our country is only in its embryonic stage is a different

matter. According to the president of Biokhim TB, the banks have not yet set aside a risk fund. The bank's management has no intention of issuing a dividend to stockholders who have not paid their interest on the loans they were given.

Mitev believes that the BNB (Bulgarian National Bank) is attempting to promote the consolidation of banks by totalitarian methods. In his view, the most natural way for bank reform is the market assessment of the capital of the banks by a securities exchange, which, however, is only in its embryonic stage. If a more developed securities exchange existed, the Biokhim TB chief believes, strong commercial banks would show up on the market, banks that would buy out the shares of those that were smaller in size and capital. He cited his own bank as an example. In 1989, it purchased five commercial banks from the BNB: those in Devnya, Svishtov, and Eltopoi; the Neftokhim Bank in Burgas, and one other bank. Another alternative to consolidation is the adoption of the voluntary rather than the administrative principle. For example, Biokhim TB prefers to buy some banks that can meet the following criteria:

- Regionally localized commercial banks in areas where Biokhim TB has no branches
- Banks that service specific sectors: chemical industry, economic tourism, and agriculture (sectors in which Biokhim TB itself works)
- Banks that are in good financial condition.

According to Mitev, consolidation also depends on the commitments of the banks abroad because the contracts include stipulations that, in the case of merger debts to foreign creditors, must be paid off immediately. He hopes that with the reform Biokhim TB will be given privileged leading status because the bank is disciplined, maintains good relations with foreign banks, and regularly meets its obligations because it services priority sectors.

The main shareholders of Biokhim TB are chemical-industry companies. Because the bank sold shares before the moratorium was proclaimed, many private companies, as well, purchased bank stock. In the past year, the number of private companies as customers of the bank increased significantly. The major stockholders also include the biggest tourism companies.

Biokhim TB has invested in four or five regional small commercial banks, which will become desired targets once the reform is launched. The bank also owns shares in some companies that are its main customers. It has continued to extend credit to important and quite profitable projects in order to repay the funds invested in them, such as Sviroza in Svishtov, the chemical plants in Ruse, and the reconstruction and reorganization of tourist sites.

This year, Biokhim TB will open new branches in Vidin, Lovech, Varna City, Plovdiv, and Burgas City. Mitev expressed the view that the bank is not trying to acquire a large number of branches but to do something of high

quality, as was the case with the Evropa Agency, which is the best banking office in Bulgaria. The president of Biokhim TB therefore believes that the bank will thus attract more customers, helping them to avoid waiting in line and to escape the difficulties caused by the lack of technical facilities.

### Selling Securities

92BA05730 Sofia DELOVI SVYAT in Bulgarian  
14 Feb 92 pp 1-2

[Interview with Nina Micheva, chief of the State Credits Administration of the Bulgarian National Bank, by Mariya Georgieva. "The Interest of Financial Institutions Is Not Casual"]

[Text] (Georgieva) We know that the National Bank will hold auctions for the sale of noncash short-term securities every first and third Sunday of the month. Who will have the right to participate in such auctions?

(Micheva) All financial institutions with open-payment accounts in the BNB (Bulgarian National Bank) will be able to participate. Three working days before each auction, the BNB will provide the primary dealers with full information on the quantities, terms, and prices of the state securities offered. The Central Bank, as the fiscal agent of the government, will keep in constant touch with all participants in the financial market. The purpose is to create greater visibility in the management of the internal debt and for the bank to become an active adviser of the government regarding the kinds, extent, and prices of state securities.

(Georgieva) The conditions and procedure for auctions are based on a special regulation on the emission, sale and purchase of Bulgarian short-term state securities. Still, what should the participants in the auction have to remember?

(Micheva) The BNB and the Ministry of Finance will jointly determine the minimal acceptable price for state securities per 100-leva nominal value. Every participant in the auction may place 10 orders quoting different prices, the minimal order being 500,000 leva. The owners of the securities may trade in them starting on the day of their purchase. Firms and private citizens may buy treasury bonds from the banks, the State Savings Bank, and the DZI (State Insurance Institute), which will attach certificates guaranteeing their redemption at maturity.

(Georgieva) What were the results of the first securities auction?

(Micheva) In the first auction, 20 orders were placed at different prices, in accordance with the condition for a minimal acceptable price of 87 leva per 100 leva nominal value. The rating was made by a commission assigned by the BNB Administrative Council. The orders were approved in declining order, based on the offered price, in order to reach the amount of 500 million leva.

as announced in advance. Thirteen orders were not met totaling a nominal value of 155 million leva.

[Georgeva] What dictates the interest of financial institutions in such auctions?

[Micheva] Indeed, the interest shown by the financial institutions is quite high, bearing in mind that this is the third floating of state securities in 10 days. Actually, in the first 15 days of the year, the Ministry of Finance sold state securities worth about 2 billion leva. This is almost as much as the sale of short-term state bonds for all of 1991. The interest of the commercial banks is dictated mainly by the possibility of using the state securities they have purchased as collateral for loans, granted at the basic interest rate of 54 percent. Thus, by using the state securities they have purchased, the commercial banks would be able to earn a profit of 60 percent annually and, at the same time, obtain a credit for the basic interest rate. Here is a comparison. In the last auction of inter-bank deposits, the maximum interest rate (the cost of the auction) was 5.01 percent, which is the equivalent of 60 percent in annual interest.

#### Mistakes, Unintended Consequences of Privatization

92BA0572A Sofia BULGARIAN BIZNES in Bulgarian  
3 Feb 92 p 3

[Article by Spartak Keremidchiev "Chronicle of Fouls in the Privatization Game"]

[Text] It is obvious that privatization occupies a leading position among the various political tools. The moment we start talking about it, we can confidently expect imminent elections or a government collapse; then this topic is forgotten until the next tribulation.

The leading members of the opposition claimed that the reform should begin with privatization, which would help stabilize the Bulgarian economy. However, once in power, they did the opposite, despite the fact that they had shifted their phraseology from political statements to the officially unpublished memorandum on economic policy, drafted by the "revolutionaries" of the coalition government for the benefit of the IMF. Here is what the D. Popov government seriously promised to accomplish last year: "A key aspect of the program is the transformation of the state sector. Privatization must be the foundation of this conversion. The government is drafting a comprehensive privatization program.

"We are expecting significant auctions to take place during the first quarter of 1991. We shall begin by auctioning off gasoline stations, and our intention is to sell more than one-half of them in 1991. Foreign companies have been invited to participate in the auctions.

These were puffed-up pledges made in the style of "the youth labor collective, working in accordance with the initiative known as 'the hero is always in the ranks' pledges to fulfill." And, as is usually the case, the wish

did not meet with reality. Even though guided by sincere motivations, privatization intentions turned out to be the fouls of the former system. Here is the way this happened.

#### First Foul: Natural Restitution of the Land

Chronologically, the first foul in the realm of privatization occurred when the law on the land was passed. Almost one year after its promulgation, it has not yet had the desired effect, and oranges have become cheaper than Bulgarian-grown apples. Fewer than 30 percent of the former owners and their heirs expressed the wish to receive their legacy. Natural restitution became bogged down in complex, slow, and expensive procedures in creating a land cadastre, dividing the land, court trials involving the distribution of the legacy, proof of ownership, and so on. Threatened with disbanding, *de facto* governmental but *de jure* private cooperatives actively began to reregister themselves, and the old cooperative members kept their hold on property of disputed economic origin, worth millions, thanks to a minimal participation fee, making them chartered members. Some of the "rebellious cooperative members" undertook to create private cooperatives by distancing themselves from the "mother trough." However, this mother turned out to be stingy, and disputes were taken to court. The social class of both the old and the new prime ministers rubbed its hands with glee. Generally speaking, property disputes about the restitution of land and other ownership problems created a vast and profitable market for the lawyers.

However, this is merely the beginning of an unsuccessful resolution of the agrarian reform problem. Its future consequences will be much worse. With expected high inflation and unemployment in the next few years, and, given the lack of a free land market, the result of the natural restitution, in its simple aspect, will be the creation of petty and ineffective farms similar to the presocialist ones or to cooperatives with overemployment.

Therefore, the chosen ways are not leading to any kind of successful agriculture, and it would be futile to deceive us by claiming that the difficulties are inherent in the system. What is being done in the field of agriculture in our country and which, if we strain ourselves, could be described as land reform, is of a unique nature. Never and at no time has any natural restitution of the land been a fundamental principle of reform in agriculture. Conversely, any unique experiment that violates the natural order of things has failed. Let us hope that before it is too late, the legislators will take a look at the way land restitution was made in Hungary or East Germany. This could help them. The sooner they understand the method, the better, although, according to an old Bulgarian tradition, it is only after a politician has left the parliament that he can understand the damage he has caused.

#### Second Foul: Minor Privatization

It is written in all privatization textbooks that the start of privatization should be successful. A number of tricks have been developed mainly in the West to win over public opinion in favor of privatization. It is as though the opposite was deliberately done in our country, even if it turns out, as a popular economic minister said, that the privatization opportunity was the "bandit from Etropole." This may have been an opportunity, but an opportunity to compromise and postpone it.

The expectation was that minor privatization would be speeded up after the regulation on auctions was passed in March 1991, and after partially allowing the moratorium on the sale of state and township property to take effect. In the final account, it was only a few gas stations and restaurants that were sold and, by the townships, a slightly higher number of stores. According to the MITI [Ministry of Industry, Trade, and Services], the value of that property was some 45-50 million leva. The reasons for the failure of the "minor" privatization are various. The more general reasons include the lack of any sort of idea about how to accomplish such "minor" privatization, the unresolved problem of restitution of built-up urban property, and the absence of a law that would regulate in specific terms the procedure for such sales and the functions of the authorities that would carry them out, as well as the interaction among them. Other reasons of a practical nature were the lack of a legal analysis of the property to be offered for sale and the faulty mechanism for the distribution of the proceeds from the sale.

Our country is the worst laggard in the area of "minor" privatization compared to the other East European countries. Between January and 1<sup>st</sup> April 1991, Czechoslovakia privatized 16 percent of the assets covered by minor privatization, on the basis of a special law that was passed in December 1990. Still, the dynamics of this process were rated as developing slowly. In Poland, more than 2,000 of 3,600 pharmacies have already been privatized, and 80 percent of all trade is in private hands.

In my view, the proposed draft law on amending and supplementing the law on establishing single-owner commercial companies with state participation (see BULGARSKI BIZNES No. 1/1992) indicates that the government is trying to prove that it is not learning from its mistakes or that it wishes to add to the "chronicle of fouls."

#### Third Foul: Privatization of the Housing Sector

The first and the fastest to be privatized were the state and the township housing assets. Today only 300,000 of the 3.3 million housing units (9.1 percent) are state-owned. The comparison between the structure of house ownership in Bulgaria and the countries in the European Community indicates that, in our country, the state and the township share of housing is much smaller than in Great Britain (despite substantial privatization it remains equal to 25 percent), it is 1.2 percent in the

former FRG, 21.2 percent in Denmark, and 17.1 percent in France. In terms of the share of the state sector in housing, Bulgaria is close to the figures for Ireland (12.4 percent), Belgium (6.0 percent), and Italy (5.3 percent).

In the fall of 1990 alone, more than 30,000 housing units were purchased in the large townships throughout the country. Despite the high interest rate, after the start of the economic reform, the population continued to borrow money to buy housing because the price increases of housing on the free market were not balanced by the increased interest paid on deposits.

Unlike in Great Britain, where the sale of real estate brought to the treasury approximately one-third of all revenue from privatization until 1986 (20 billion pounds sterling), in our country this process had an extremely modest impact on reducing the budget deficit.

For the sake of fairness, we must acknowledge that, although there were fouls in this sector, privatization has already been completed, which is a positive fact. For the sake of comparison, in what remains of the former Soviet Union housing cannot be privatized even for free.

#### Fourth Foul: Quiet and Spontaneous Privatization

Quiet privatization is officially legal. However, it is based on laws that do not provide for openness, publicity, and competitiveness in sales. This process has its prehistory. It started with Council of Ministers Letter No. 17 of 1988, which made it possible for domestic trade enterprises to be taken over by the personnel who would run them without the need of holding an auction. This led to the appearance of two different systems for enterprise leasing: with auction and without auction, which classified the candidate-lessees into two different groups and placed them in unequal conditions. In the majority of cases of offering property for lease without auction, the leasing deposit was substantially smaller than the one set for property to be auctioned off.

The second opportunity for "quiet" privatization was created at the start of 1990 with Council of Ministers Letter No. 36 on the leasing and selling of commercial, tourist, and service enterprises. The procedure for the auctions, as stipulated in this resolution, was unsatisfactorily formulated in terms of the public nature of the auction, in setting the assessed values of the enterprises and the distribution of the funds thus obtained. It provided opportunities for "cooked deals."

Another method for quiet privatization is based on Regulation No. 2 of the MIP [Ministry of Economics and Planning] and the MT [Ministry of Trade] for the sale of used motor vehicles, which was effective from the beginning of 1989 through March 1991. According to this regulation, trucks, tractors, combines, and other transportation and agricultural machinery were sold at exceptionally low prices.



After Article 13 of Ukase No. 56 was amended in May 1990, state ownership became company ownership. The opportunity was provided, based on the decision of the administrative councils of the enterprises, to independently sell "capital assets to physical and juridical persons" with auctions, without defining the auctioning procedure.

All such forms of transformation of state property to private property were legislatively blocked in August 1990 with the moratorium on sales of state property. Following the enactment of Council of Ministers Letter No. 42 of March 1991 despite its faults, it may be considered that the method of quiet privatization was mastered.

The legal chaos and the lack of a law on privatization contributed to the favorable development of "spontaneous" (meaning illegal) privatization. The passing of the Trade Law invalidated Chapters 1 and 2 of Ukase No. 56 and, therefore, the regulation on auctions. Several months later, with the law on the forming of one-owner trade companies with state property, share transfers were prohibited until the passing of the law on privatization. Still, sales of state and township property were not interrupted and continued in accordance with the invalidated regulation on auctions.

The sale of stock in its two varieties—to people employed in a company and to outsiders—was another source of spontaneous privatization. Thus, for example, the personnel of state construction companies already own stock worth 11 million leva. Similar processes are taking place in other companies in the course of their reorganization.

No single other East European country was able to avoid the processes of quiet and spontaneous privatization (TSP). According to various views and assessments concerning Hungary and Poland, it is believed that such processes affected about 25 percent of state enterprises, and that some 10-15 percent of state property was converted in this manner. Because of the confidentiality of information, the quantitative assessment of the scope of this type of privatization is based primarily on the economic intuition of the specialists. The actual values may possibly be substantially different. In the case of Bulgaria, it may be assumed that the scale of TSP is approximately as indicated. We have factors that operate in the opposite direction. However, in terms of their power, a balance is attained. The lowering of this evaluation is affected by the "foreign investments" factor, which was largely a method used in spontaneous privatization in the East European countries. Conversely, in our country, the factor of "length of the chaos in legislation" is influential.

The quiet and spontaneous privatization is a means of benefiting some social groups at the expense of other members of society. Therefore, from the viewpoint of

public morality and legality, such deals are both immoral and illegal, and their future growth could bring about a social explosion.

In addition to the negative charge they carry, such phenomena lead to economic changes in a positive direction. Despite the method used in the acquisition of property, a stratum of real owners begins to develop, working for themselves and adopting a system for influencing market (even pseudomarket) signals. These owners and managers will either adapt to the market system and prosper, or declare bankruptcy and have their property fall into other hands.

By issuing stock to the personnel of the companies, the embryos of a real worker participation in management are created, based on owning enterprise capital.

### On to New Fools

The summing up of the numerous fools in the privatization game, committed within a short period of time, is already showing a trend. It is as though privatization is being deliberately held back and being allowed to trail behind the pace stipulated in the conversion programs. According to the view of the IMF Administrative Council, voiced in its annual report, the big state enterprises in our country are a basic threat to the implementation of the program, and it is only their restructuring and privatization that will provide decisive proof that a reform process is taking place in Bulgaria.

The basic result of the delayed privatization is that it is holding back the change in the economic system and the restructuring of the economy and, therefore, the pursuit of the reform. Although it is a secondary factor in stabilization, privatization is having no influence whatsoever on reducing the state budgetary deficit. According to the 1991 Law on the State Budget, income from operations involving state and township property should amount to 214.1 million leva, which is 0.34 percent of the total revenue. For the sake of comparison, for the same year, it is expected that in Poland privatization will contribute 150,000 billion zloty to the state budget. Considering the exceptionally limited external sources for financing the reform, a possible income from privatization of state property could help to support the state, although not to a substantial extent.

As a safety valve of the delayed privatization, let us note the development and acceleration of the processes of quiet and spontaneous privatization. Through such processes, the income that would go into the state budget would instead go into the accounts of the new owners and thus harm the citizens who have no access to this type of privatization. Along with this process, real owners are already being created.

So far, privatization has taken place mainly with the help of laws issued by the executive branch. The adoption of a privatization law was blocked in parliament. This has put the legislative power in the role of observer of the

process. The legislative basis concerning the sale of state property creates a multi-step medium-term (SE

Some of the most important institutions for privatization are already partially developed and have assumed "aggregated" functions: the Privatization Agency (for instance); others are set to be reorganized (as commercial banks); others again have still not been organized (a securities market or securities exchange) etc. Unnatural for the functions of the transfer of state property to be assumed by the Council of Ministers. In most Western countries, such functions are exercised by the sectoral ministries or, as is the case in Italy, a special state participation ministry. The East European countries have created state property funds to meet the needs at the privatization process, which represent the state as the owner in privatization procedures.

The interest shown by foreign consulting companies in participating in the preparations for privatization has been insignificant. With minor exceptions, the company Hungarian Consulting is not ready to draft plans for privatization, assessing the value of enterprises, finding foreign investors, and launching a campaign for attracting potential shareholders. No infrastructure has been developed for the training of specialists who could draft such assignments.

One of the most serious problems affecting the privatization will be the absence of a strong subsector that could absorb state property through its capital and managerial management. According to a study made by the Central Statistical Administration, which was completed in May 1991 and concerned 4,000 private enterprises (out of a total number of more than 100,000), the average number of full-time employees per enterprise is 3-4 and their average annual income is 15,000 leva. Given the lack of interest of the big foreign companies, the potential level of investment in "profit

set at \$200,000, with (mostly) the private foreign entrepreneurs from market privatization.

It may be expected that privatization will encounter strong social opposition in some enterprises on the part of their personnel. This was confirmed with the first sociological survey conducted in our country concerning the reaction of workers and economic managers to already accomplished privatization at the beginning of 1991. The results and conclusions are confirmed by other studies partially related to this problem.

The main conclusion that was drawn after the study of the sociological data was that there was a strong disparity between the personnel's desire to participate in privatization and the possibility for fulfilling this wish. Almost 40 percent of the personnel consider the future of their enterprise as being owned by the state or by the workers. About 13 percent of the workers accept the idea of private ownership (domestic or foreign) of the enterprises where they work. Asked about the amounts they would invest in stock or other securities, no more than 6 percent of the workers answered that they would invest at least 10,000 leva for this purpose. The very restrictive policy that is being pursued limits even further the possibility of financial participation in privatization.

In the course of the privatization process, the workers will try to protect their rights and adamantly defend their interests. To overcome the workers' resistance it will become necessary to provide preferential conditions for the personnel in the purchasing of stock and to include social employment guarantees in the sales contracts.

Serious attention should be paid to the explanatory part of the preparations for privatization. From the workers' viewpoint, the most acceptable would be an owner who would offer the best option concerning the future of the enterprise, and not the one who would pay the most to acquire it.

### Meciar's Registration With StB 'Confirmed'

IC 2603144292 Prague MLADA FRONTA DNES  
in Czech 24 Mar 92 pp 1-2

[Report by Ivo Slavik: "Vladimir Meciar Was Doctor Slovak National Council Defense and Security Affairs Committee Confirmed Testimonies Published by RES-PEKT and MLADA FRONTA DNES"]

[Text] During yesterday's Slovak National Council session, deputies received the report of the Defense and Security Affairs Committee dealing with Vladimir Meciar, former Slovak interior minister and prime minister and current Federal Assembly deputy and leader of the Movement for a Democratic Slovakia. We have selected the following from the report, which will probably be discussed by Slovak National Council deputies at their session today.

"The tearing out of pages from the register of files and from the protocol of filed dossiers of the now defunct 12th Administration of the National Security Corps (SNB) in Bratislava has not been satisfactorily explained to this day. We asked the Federal Security and Information Service (FIS) office in Bratislava to provide us with preliminary information on its new findings. We have received a report stating that two file cards bearing the name Vladimir Meciar, LLD, were found in the Z file at the Federal Ministry of Interior. The first card proves that in 1970 the above-mentioned was prosecuted on charges of defamation of the republic and its representative, under Article 9, Paragraph 2 of the Criminal Code. Involved was the distribution of leaflets after [the Soviet-led invasion of] August 1968. The second card proves that the State Security (StB) District Administration in Trencin opened a file under registration number 31.048 under the name V. Meciar, which was subsequently filed under number 97.472 in Bratislava. As this file number is the number of a protocol of filed dossiers of collaborators, we know that this was the file of some kind of a collaborator (agent, informer, candidate of secret collaboration, holder of a confidential apartment). It follows from the computer database of the central register of files that is kept at the Federal Ministry of Interior that this was the file of a candidate of secret collaboration, under the code name Doctor, targeted at right-wing opportunists. It was opened on 1 March 1985 and filed on 1 September 1986. V. M.'s controlling officer was StB Captain Ivan Hornak. This finding has supplemented our knowledge about persons listed on the pages that were torn out of the Bratislava register. It also narrows down the range of persons with a paramount interest in the deletion of these pages and in the removal of their own files from the StB documentation.

"Recapitulating our knowledge acquired thus far, we are able to draw the preliminary conclusion that the two pages torn out of the register of files with registration numbers 14.351 through 14.370 included, under registration number 14.358, Major Stern, LLD, director of the Slovak Interior Ministry Personnel Administration,

who was appointed to this post by Mr. Meciar, through the medium of Mr. Borodovcak. The missing two pages with registration numbers 19.491 through 19.530 included, under registration number 19.508, Col. Svecchota, LLD. From February 1990, Col. Svecchota was the chief of the 12th SNB Administration, up to 14 August 1990 he was deputy director of the Federal Interior Ministry Office for the Protection of Constitution and Democracy, and from 15 August 1990 he was first deputy Slovak minister of interior in charge of StB files. The missing two pages with registration numbers 31.031 through 31.060 included Vladimir Meciar under number 31.048. In view of the fact that the pages that are deemed to refer to the file on Vladimir Meciar's collaboration were torn out from the register of files and from the protocol of filed dossiers and because the file card with the registration number and with the file number of this dossier was in the Z file—which is kept directly by the federal minister of interior, where it had been as early as the first half of 1990—Vladimir Meciar could not be positively screened, neither by the commission investigating the background of the 17 November 1989 events nor by anyone else.

The investigations by the Slovak National Council Defense and Security Affairs Committee and by other bodies focused on the clarification of the suspicion of criminal activity perpetrated by functionaries and members of the Slovak and Federal Ministries of Interior against members of the SNB District Administration in Trencin. This concerned, above all, the suspicion of unlawful action in canceling the contract of employment of SNB member Jan Mano, whose dismissal was at variance with the law on the terms of employment of SNB members. As follows from the report of the Slovak National Council Defense and Security Affairs Committee, the main reason for Mr. Mano's dismissal was a letter that he sent to Mr. Dubcek, Mr. Cio and the presidential office, in which he voiced objections to the appointment of Vladimir Meciar as minister of interior. What appears to be the committee's most serious finding, however, is the [evidence of] abuse of the authority of a public official committed by a member of the Slovak Interior Ministry Inspection Agency when he unlawfully broke into the StB building in Trencin, which belonged to the Federal Ministry of Interior, and misappropriated documents from the StB archives. "Even if we accepted Mr. Meciar's claims that he had not sent Mr. Cimo [the Slovak Interior Ministry Inspection Agency member who admitted to the break-in] to the so-called Tiso villa [that housed the StB office in Trencin] and that this was Mr. Cimo's private initiative, the fact has been conclusively demonstrated that Mr. Skultety did not inform anyone but Mr. Meciar about the destruction of StB archives in the Tiso villa. It has also been confirmed that Mr. Meciar took over the documentation [that was misappropriated in the Tiso villa]. We have not ascertained," the Defense and Security Affairs Committee's report states, "that Mr. Meciar had ordered Mr. Cimo to return this material without delay, as required under Article 5 of law No. 102 of 1971 on the protection of a



state secret. It is therefore evident that it was at the instruction or with the consent of Mr. Meciar, Slovak minister of interior, that Mr. Cimr broke into a building belonging to the Federal Ministry of Interior and removed from there material that was part of the documentation on StB collaborators in Trenčín. He presented this secret material to a person that was not empowered to handle this material.

#### **More on Z File Showing Meciar StB Registration**

HC 2603/19239; Prague: MLADA FRONTA DNES  
in Czech 25 Mar 92 pp.

[Report signed (1)] "Richard Sacher Explains What the Z File Is."

[Text] "The file was really established only to avoid the destabilization of the political scene prior to the 1990 elections," former Federal Interior Minister Richard Sacher told us. "The chief of the then Office for the Protection of the Constitution and Democracy, Mr. Formanek, began screening large groups of people, and I was afraid of explosions on the political scene. I found out that [information] was released from my sector without my knowledge. At that time, shortly after November 1989, the situation was very dangerous, and so I had all the documents, cards, and other material moved into one closed room. This was, in fact, the Z file. This is how the data on deputies co-opted into the then parliaments and on government members got into the Z file. Vladimir Meciar, too, was a member of the Slovak Government at that time."

Deputy Sacher affirms that the Parliamentary Commission Investigating the 17 November events could have used the Z file. They only had to ask Interior Minister Jan Langos. According to our findings, the commission exercised this right. However, the commission did not find any data similar to those the Slovak National Council Committee report speaks about. The said card on Vladimir Meciar either was not there (and got into the Z file later) or the members of the commission were unable to find it.

#### **HZDS Views Meciar's StB Card as Forgery**

HC 2604/160892; Prague: MLADA FRONTA DNES  
in Czech 25 Mar 92 pp.

[Report by Zdenek John and Ivo Slavik] "The Doctor Affair in Parliament."

[Text] Bratislava—Slovak National Council deputies yesterday heard the report of the Defense and Security Affairs Committee according to which Vladimir Meciar was registered in State Security (StB) files as candidate for secret collaboration No. 31 048, under the code name Doctor. After delivering the report, Frantisek Javorsky (Christian Democratic Movement), chairman of the Defense and Security Affairs Committee, spoke about

machinations concerning the distribution of SLOVENSKY VYCHOD (which yesterday published an interview with Javorsky about the submitted report), the printing of which was demonstrably delayed by two hours yesterday. He added that it was not before around noon that the paper went on sale in six districts of the East Slovak region. "We have a well-founded suspicion that one of the printing plant's managers—StB agent registered as No. 10,024, under the code name Erik—is largely to blame for this situation," Frantisek Javorsky said.

Milan Sacansky from the Movement for a Democratic Slovakia (HZDS) then asked to take the floor and declared, on the basis of an authorization from Vladimir Meciar, that all accusations leveled against him were untrue and fabricated.

Milan Sacansky also presented the standpoint of the HZDS Club of Deputies on the Defense and Security Affairs Committee's report. All of Meciar's screenings carried out thus far were negative, the statement says. "Only now has the Z file appeared at the Federal Ministry of Interior. Why has this file not been used in previous screenings? Why did the Federal Assembly's commission for investigating the background of the 17 November 1989 events not have it at its disposal? Unless the authenticity of this file is credibly proved, we must proceed from the fact that the Z file is a forgery made to order in connection with the election campaign. We therefore demand the establishment of an independent expert commission that would verify the authenticity of that file. The report's contents reveal that the Federal Security and Information Service (FIS) was involved in the Defense and Security Affairs Committee's work. We emphatically protest against this because this is a case of this service being misused for political objectives and amounts to the violation of its apolitical status." Milan Sacansky proposed that, until the above facts are clarified, no consideration should be given to the part of the report that evaluates Vladimir Meciar's activity.

Should Vladimir Meciar's conscious collaboration with the StB be confirmed, under the valid screening law he would not be able to occupy any government post. He could be elected to the Slovak National Council, however (for which he actually runs), because the electoral law does not place candidates under the obligation to have themselves screened.

Deputy Roman Holbauer then presented a supposedly certified document bearing testimony to the collaboration of Ivan Carnogursky, first deputy chairman of the Slovak National Council, with the now defunct StB.

In the evening, the tumultuous debate degenerated into such chaos that Slovak National Council Chairman Frantisek Miklosko declared the meeting interrupted, whereupon Slovak National Council Deputy Chairman Milan Zemko (formerly Public Against Violence, now showing sympathy for the nationally oriented currents) announced that he was taking over the chairmanship of

the meeting. In spite of this "miniputsch," the meeting was closed after a while because of the parliament's total inability to decide on anything.

#### **Knazko Threatened Sanctions**

In the corridors of the Bratislava parliament, commotion was stirred up yesterday by the information that, after the television newsreel on Monday, 23 March, HZDS Deputy Chairman Milan Knazko attempted to exert pressure on the director of Slovak Television. At variance with the reality he accused television of having published a supposedly secret report. According to our sources, his words insinuated that the editor and the television company might be made criminally liable.

#### **Javorsky Was Burgled by Professionals**

Attention was also aroused by a report on the break-in into the safe of Defense and Security Affairs Committee Chairman Frantisek Javorsky. This happened during the night from Monday to Tuesday [23 to 24 March] in the Archaeological Institute in Spisska Nova Ves where Mr. Javorsky works as a lawyer. "According to preliminary information it is possible to say that the perpetrators focused mainly on written materials," Frantisek Javorsky said. He did not comment on the conjecture that the break-in might have a political background. Slovak Interior Minister Ladislav Pittner, on the other hand, called it the work of professionals from which he inferred that this might suggest a political background to the break-in.

### Flap Over Discrepant U.S. Human Rights Reports

92CH04204 Budapest HETI VILAGGAZDASAG  
in Hungarian 29 Feb 92 pp 40-41

[Unattributed article: "American Human Rights Report Discrepant Hungarian Writings"]

[Text] For a few days it seemed as if the Human Rights Report presented to the United States Congress had called the Hungarian press "communist." Later on it appeared as if there were two official reports. As it turned out in the end, there was only one report: the one the Budapest Embassy of the United States of America forwarded to the editorial offices of HVG [HETI VILAGGAZDASAG], in which not a single word makes reference to the salvaging of communist power in the press. Several people were offended as a result.

On 3 February a majority of Hungarian daily newspapers carried an MTI Washington dispatch according to which the introduction of the chapter on Hungary in the Human Rights Report—publicized annually in the United States—claimed that the Hungarian press "was dominated by leftovers from the communist era." Temperamental and politically passionate media inclined to sensationalize such reports went so far as to present this matter in the form of banner headlines. And all this took place at a time when a "social" movement for the resignation of the radio and television presidents was about to evolve at the initiative of two coalition parties, and was to be taken to the streets by a former National Assembly representative who at present serves as an Interior Ministry official, at a time when the second round in the fight for the appointment of the vice presidents of the two electronic media began, and at a time when advance skirmishes around the media law were in process.

Many could not believe their eyes upon reading the report. The HVG reporter did not either. Unlike others, however, the HVG reporter was not satisfied by simply refusing to believe. He made an attempt to follow up on the report to find out how a quotation that sounded more like the terminology used by the Hungarian ruling parties could have been included in the American report. HVG called MTI Washington reporter Andras Heitai first. He suggested that the inquiring editor contact the American Embassy in Budapest for the official text. Believing preconceptions regarding the prophylactic nature of foreign service bureaucracies, the Embassy forwarded the official text shortly after the inquiry. It did not include a single word about communists dominating the press. By then, however, two weeks had passed since the Washington reporter's dispatch arrived in Budapest.

Once again, the HVG reporter could do nothing but wonder, because no official American correction, official Hungarian reaction, or news agency reports about such correction or reaction surfaced during those two weeks. He thus began harboring suspicions. He asked himself: Under the given circumstances, in whose interest could it have been to provide ammunition to the Hungarian

media war in the form of the ominous statement? And since the HVG reporter concluded that this could hardly be in the interest of American diplomacy, he assumed that at some point—at its place of origin or on its way to Hungary—the MTI material became distorted. The reporter expressed this feeling in the column dedicated to personal views.

The response came quickly. Since the brief summary of the history Human Rights Reports that accompanied the HVG commentary ranked this Budapest newspaper together with the Soviet Union, China, and Romania—countries that always attacked the Report, only after publishing the commentary did the MTI acknowledge that the official document did not attach any labels to the press. At the same time, however, the material included in the MTI report was not the fault of the MTI reporter or the MTI itself—the way the HVG reporter assumed—but to a "not entirely finalized" version given to the Hungarian reporter in error by the State Department press office, as the State Department claimed.

This could put an end to the story, if the news agency and the weekly newspaper jointly declared that they felt victim to a series of misunderstandings. The MTI reporter believed that he was working with a final document, while the weekly newspaper [HVG] did not know how to deal with the fundamental contradiction between the report he received from the news agency that was based on an official American source and the official version he received from an authoritative American source. The [HVG] reporter was unable to deal with this contradiction despite the fact that he endeavored to exercise the utmost professional care by personally contacting everyone directly involved in this matter, just as the MTI reporter did.

On the other hand, the irritated series of telex messages dispatched by the MTI reporter and the MTI to the HVG editorial offices after direct telephone conversations, endeavoring to clarify the initial differences in opinion, remains inexplicable. In these telexes the MTI demanded full "surrender," while it suggested that the U.S. Department of State has subsequently changed the original text in response to the MTI Washington reporter's actions.

Every State Department representative we inquired from in this regard—including Tom Williams, the head of the group that edits the Human Rights Report, and John Mayhew, the person responsible for the Hungarian chapter of the report—felt that after the given deadline of 31 January it would have been impossible for anyone to change even a single word that affected the meaning of the Report.

Our colleague, whom we offended in last week's commentary and to whom we apologize, may agree that our task was to publish the authentic text and to prevent manipulations with the "negative version." Had the HVG not published this viewpoint concerning the odd wording of the report, no light might have been shed to

this date on the authentic version. The fact is that no light had been shed on the authentic version prior to the publication of our article. And to this date, the MTI reported the authentic version only as part of apprehensive statements addressed to HVG.

### Military Technology Transfer Potential Analyzed

92CH0396A Budapest FUGYELŐ in Hungarian  
5 Mar 92 pp 1, 1"

[Article by Lajos Hethy: "The Challenge Presented by the Agonizing Defense Industry: Peace Is Our Sole Painful Cry"]

[Text] The subject, conversion of the military industry, only appears to be alarming. The real question is whether it is possible to "forge a plough out of a sword."

The conversion—an economic structural transformation process—involves the rerouting of both the material resources and the human resources of the defense industry (the Army) to the civilian economy. Insofar as material resources are concerned, the fact that the more specialized a product (production process, infrastructure, materials), the smaller the chances of accomplishing this change, has become a commonplace truth. Surplus armaments most often end up in wreckage yards. (The only exceptions are certain unique situations in which Hungarian experts used airplane engines mounted on tanks to extinguish oil well fires in Kuwait.) Efficiency creates a problem even if the conversion of defense industry plants is technically feasible. (In Biblical times, when iron was expensive, it might have been worthwhile "to forge a plough out of swords," but this no longer is the situation.) From the standpoint of economists the basic question is this: "What costs more, retooling a defense plant or creating a new plant?" (The fact that civilian market prices in general do not recognize the high quality—reflected in precision, durability, load bearing capacity, etc.—achieved at high cost in defense production creates a separate concern.) This causes less of a problem from the standpoint of the civilian use of materials (steel, copper, etc.) and the infrastructure. (Although this is not so simple either, as can be seen from the troubled situation of facilities left behind in Hungary by the withdrawn Soviet troops.)

The idea of converting the defense (military) industry has not emerged just recently; it was also on the agenda during the 1970's and the 1980's. Its recent (virtually dramatic) reappearance is related primarily to the collapse of the Soviet Union. What is the future of the nuclear arsenal and the "gray matter" that created it? What is going to happen to the huge military industry, to the workforce employed there, and to discharged officers?

### Reorientation

The response to this question impacts not only on the internal political stability of the Soviet Union, but also on national security. Meanwhile similar questions arise

in other countries of East and Central Europe, although in a less dramatic way. The termination of the Warsaw Pact and the forced, radical decrease in military expenditures has created a general crisis in the military industry, and the currently evolving new defense strategies leave their marks on armies. By no coincidence, the need for conversion has attracted the attention of NATO and of other organizations (e.g. the International Labor Office).

What does "conversion" mean? This concept—thus far missing from the political thinking and practice of most Hungarians, except for a few professionals, represents the "reorientation" of military R&D and production, (as well as the labor force employed in these fields) toward the civilian national economy on the one hand, and the reintegration of military equipment (military technology, material, and infrastructure) with the civilian sphere. In this process "ploughs are being forged out of swords," to use the oft-quoted Biblical words. In addition, let us extend this thought by including that "gunsmiths become civilian smiths, and fighters become artisans and agricultural workers." In terms of modern economics, conversion constitutes an economic structural transformation process, distinguished from general economic structural changes by the strong political character of both its catalysts and consequences. Conversion may be necessitated by technological development, disarmament, a system change, or simply by economic constraint.

Because the state is the chief sustainer and customer of the military industry, reduced military budgets and the need for conversion usually appear simultaneously. Amounts freed as a result of reduced expenditures may result in a variety of changes in market economies with a balanced growth. First, as a result of reduced taxes, they may appear in the form of individual consumption, savings, or entrepreneurial investments; second, within state budgets they may be reallocated and made part of civilian purpose chapters, i.e. these funds would serve consumption and investment on behalf of communities; and third, they may be spent on programs that offset (on occasion regionally concentrated) losses in entrepreneurial profits, individual income, and employment that result from the shrinkage of the military sphere. In other words, The amounts freed enhance conversion, but conversion is by far not without costs.

### Concerns

East and Central Europe—irrespective of whether we are talking about the Soviet Union, Hungary, or some other countries—has been confronted with the challenge of conversion at a time when there is no money whatsoever (or extremely limited funds) to finance the conversion. In this region the imperatives created by the economic crisis immediately follow reductions in military expenditures, and the amounts gained as a result of reduced military expenditures have already been essentially expended to patch up holes in the budget even before they were freed. The military industry of Hungary (and



of other countries) finds itself in this kind of grave crisis (graver than the crisis of industry as a whole) for the above reasons. Military production has already declined by one-third in 1989 and by a second third in 1990. Professionals are correct in questioning whether it is justified at all to speak of "conversion," i.e., of the integration of military capacities with the civilian national economy.<sup>1</sup> Could it be that we are witnessing the gradual disappearance of an industry branch? If that were the case, East and Central Europe could be faced with substantially more serious economic and political consequences (following reductions in the military budget) than a number of market economies (such as the FRG, Italy, or for that matter, the United States).

During the middle 1980's, 1.5 million people worked in the West European military industry, according to estimates. This number declined by 100,000 by the end of the decade, and a further decline of between 350,000 and 500,000 people is being forecast for the period between 1990 and 1995.

Aside from the lack of financial resources, the following concerns Central and East European countries that have substantial defense economies. First, the size of the military economy (which the Soviet Union has officially declared to represent eight percent of the GDP, but in reality has been estimated to represent 25 percent of the GDP); second, the peculiar quality of military production (e.g., nuclear weapons manufacturing); third, the impossibility of analyzing the military industry because of secrecy; fourth, the high cost of specialized labor engaged in military production (a cost that presumably is six times as high as the same cost of labor in civilian production); fifth, the technological abyss between the military and the civilian economy (the former is ahead of the latter by between eight and 10 years); sixth, the rigid separation of military production from civilian production (insofar as supervision and direction are concerned); and seventh, the high degree of regional concentration of defense capacities. In comparison, Hungary's military production amounted to about 3 percent of all industrial production in 1988, employed 2 percent of the labor force, and was traditionally an integral part of the national economy.

#### Bad Business

Accordingly, conversion—an economic structural transformation process—redirects both financial and human resources toward the civilian economy. Insofar as financial resources are concerned, the fact that the more specialized a product (production process, infrastructure, material, etc.), the less possibility there is for conversion has become a commonplace truth. Surplus armaments usually end up in the wreckage dump. The only exceptions are certain unique situations like the one in which Hungarian experts used airplane engines mounted on tanks to extinguish oil well fires in Kuwait. Efficiency causes a dilemma even if one assumes that conversion is technically feasible in a defense industry plant. With the high cost of iron in Biblical times, it

might have been worthwhile to "forge ploughs out of swords," but this is no longer the case. From the standpoint of economists the basic question is this: "What costs more, retooling a defense industry plant or establishing a new plant?" In general, the fact that the high cost of high quality—precision, durability, load bearing capacity, etc.—involved in military production is not recognized in civilian market prices creates a special problem. The civilian use of materials (steel, copper, etc.) and of the infrastructure creates a lesser problem. (Even though this is not so simple either, as that can be seen from the troubled situation presented by facilities left behind in Hungary by the withdrawn Soviet forces.)

#### Where? How Far?

The conversion of human resources—whether this involves people employed in military R&D and production or the discharged officers—is a far more sensitive issue from a political and societal standpoint. The chances of accomplishing such conversion depend in part on the possibility to exchange a given specialized knowledge, and in part on the prevailing situation in the labor market. Certain unique specialties cannot be converted. By no coincidence, the West is trying to provide a unique employment opportunity for Soviet nuclear researchers at an international research center to be established. At the same time, the qualifications of persons employed in the machine industry and the electronics industry (aspects of defense industry are often the same as those of persons employed in civilian production). They can be employed in civilian production without any problem, perhaps with some retraining. If workdays, yes. From this standpoint the general, rapid increase in unemployment in East and Central Europe raises a question. The number of unemployed in Hungary is approaching the 500,000 level, but accurate data exists with respect to the former Soviet Union, but for the time being, estimates, all for several tens of millions of unemployed. The magnitude of this problem may be seen in the fact that in Hungary, where situations like this can be followed easily, we do not know what has happened to some 30,000 people laid off by the defense industry in 1988 and to the discharged military officers.

Insofar as practical mechanisms are concerned, conversion can be accomplished through different paths. In developed market economies, diversified conversion (initiated by enterprises) is one way. This means that enterprises threatened by reduced military orders use all or part of their profits derived from military orders to purchase new facilities in the civilian national economy and grow that way. Many examples of this kind exist in the United States. Many recommend conversion initiated by local communities, even though only a few initiatives of this kind have proved to be successful. Such conversion is essentially based on joint cooperative efforts by the leading factors in regions struck by reduced military production to resolve the problem (local governments, employers, trade unions, peace movement, environmental movements, and so forth). The first solution mentioned presumes the existence of







800,000 cars annually after every plant begins production at full capacity! Incidentally, 150,000 of these will be manufactured beginning this fall in a plant under construction in the eastern German city of Eisenach.

And yet, one wonders about the starting chances of Hungarian assembly work. GM has received two essential benefits from the Hungarian Government in 1990: a 10-year tax exemption and an agreement in principle to sell imported cars in Hungary in exchange for forints. The latter no longer represents an advantage because based on new rules, anyone is able to do that, and everyone is doing it. Insofar as the tax exemption is concerned, initial production is not going to be profitable for a few years because of the small size of the series. But since the entire plant operates in a duty-free zone GM was promised by the government that it would not have to pay the otherwise rather high duty and the fees related to duties. This could provide a serious competitive advantage. We used the conditional tense here, because the agreement of association with the EC could also present a new situation in this regard. EC member countries object to the advantage provided to GM in the form of customs duties, an advantage that is inconsistent with the EC agreement. The Hungarian Government could, of course, assert that at one point GM is going to provide work for 650 people in its own plants, and for another large number of people in the vicinity by way of services related to production. The Hungarian Government could also claim that a Hungarian dream—car manufacturing—that has been fostered for the past 20 years has come true with the help of GM. It could also claim that in exchange for customs duty benefits, GM has provided a priceless professional culture, knowledge and technology to our industry and economy. In other words, the Hungarian Government could assert many things, but the question is to what extent competing firms within the EC would accept such arguments. It would indeed mar the festive mood if we extended our pondering and asked: What would happen if GM did not

enjoy customs duty advantages in the Hungarian marketplace? Surely GM will not continue producing cars at a loss, at least not in the long term. Short of advantages received in the form of customs duties, GM is likely to direct its future focus on manufacturing engines in Hungary and to discontinue car assembly work a few months after it begins. It would cost less for GM to satisfy Hungarian needs from its factories abroad.

[Box, p. 21]

GM Hungary's PR director Andras Danos did not reveal the amount of wages earned by the workers at the firm, but said that they earn more money than they could at any other Hungarian industrial firm requiring similar skills. For example, the 16 lead engineers and professionals working as coordinators had been selected from among 300 applicants in the course of a four- to five-day hiring process. The directors in whose fields the coordinating work is to be performed have always been present during the selection process. From among the nine members of the management group, seven persons are from abroad, and they perform the key functions. The directors of personnel and of public relations are Hungarian professionals. Accordingly, all of management falls under GM's authority. RABA, with its 20-percent ownership, is not involved in the management of the firm.

Among the team leaders assigned to coordinators one finds a few local residents. One could say that most of the trained and skilled workers at the production line came from nearby settlements. Up to the level of group leaders, every worker received training abroad in GM plants located in Portugal and in Germany, similar to the one in Hungary. GM has entered into employment agreements with its workers on condition that employees accept outside work only on the basis of permission to be granted exclusively by the firm's president. In characteristic situations, permits of this kind would be granted only if outside work increased the prestige of professional knowledge acquired at GM.

**Woerner, Skubiszewski Address Security Seminar**

4U1703182192 Warsaw TRYBUNA in Polish  
13 Mar 92 pp 1-2

[Article by Zygmunt Slomkowski "An Umbrella, but Without Guarantees"]

[Text] NATO is not considering increasing its membership, but this does not mean that NATO will not have new members in the future.

Poland does not have to fear the emergence in Europe of a low-security zone. Even without issuing formal guarantees, NATO is involved in improving security for its partners in the North Atlantic Cooperation Council by bringing them closer to the alliance. NATO is already safeguarding Poland's security.

Within the means available to it, NATO will respond to Poland's request for support in restructuring its armed forces and defense system.

Those statements were included in a speech by NATO Secretary General Manfred Woerner at the opening session of a seminar titled, "Security in Central Europe: NATO and Prospects for Central Europe." The seminar, sponsored by the NATO secretary general and the Polish foreign minister, began Thursday (12 March). It is being attended by a NATO delegation and delegations from Poland, Hungary, and Czechoslovakia. Warsaw-based representatives of states belonging to the North Atlantic Cooperation Council were invited to attend.

The seminar is to deal with subjects related to security threats in Central Europe and opportunities for military cooperation among the states, as well as opportunities for cooperation between the "Visegrad triangle" countries and NATO. As Minister Skubiszewski said in his opening speech, "This stems from current needs because the eastern part of our continent is an area of hope and opportunity now, but also of uncertainty and risk. NATO is the basic element providing European security, and we wish this stability to be extended to the eastern part of Europe."

For the first time in public, Skubiszewski outlined his concept of a general European treaty. It would be a legal instrument for the purpose of strengthening the military and political foundations of security on the territory of the CSCE states (that is, from Vancouver to Vladivostok and from the British Isles to Dushanbe and Ashkhabad). It would not be the aim of the treaty to replace existing security structures or undermine the role of NATO, but on the contrary, to strengthen those structures. As Skubiszewski stressed, the treaty would give states outside NATO a feeling of being truly involved in the creation of a new order, and not just of falling into line with principles that have been formulated by others.

It is not known how the NATO states will respond to this proposal. It is true that Woerner stressed the roles of the European Community and CSCE along with that of NATO, but he stressed most emphatically departing in

part from his prepared text, that NATO was the most important stabilizing element in the world. It is true that the pact does not have an enemy and does not need one, but to diminish the role of this alliance of 16 states would be to threaten prospects for peace and stability.

Following the inaugural session of the seminar, working group discussions were held behind closed doors. Woerner left for meetings with President Walesa, Prime Minister Olzewski, and the Sejm and Senate marshals. In the morning, Woerner held talks with Defense Minister Parys.

Woerner's official visit ends Friday (13 March) morning when he leaves Warsaw for Riga. From there he goes to Tallinn and Vilnius.

At a news conference held in the evening, Woerner was asked whether the "Visegrad three" were asking to be treated by NATO as a special case. He replied that all members of the Council are being treated in the same way, including the CIS [Commonwealth of Independent States]. Cooperation between NATO and the CIS countries also lies in Poland's interest. Woerner denied that the Polish representatives that he had spoken to had asked NATO to provide security guarantees, and added that it was just the beginning of the road for relations between Poland and NATO.

**Basis for Political Factions in UD Described**

92EP02508 Warsaw GAZETA WYBORCZA in Polish  
10 Feb 92 p 15

[Article by Artur Domoslawski "Cracks in the Union"]

[Text] Now and again the political world is rocked by reports that the Democratic Union (UD) is crumbling. Sometimes a UD activist will say or will even write that a breakup is imminent and a little later another activist denies this. On what do the politicians of the UD differ? Is the UD breaking up, or is there merely a purging of its ranks?

Divisions take place in practically all significant parties in the Center Accord (PC)—between the backers of Olzewski and those of Kaczynski in the ZChN [Christian-National Union]—less conspicuously between the ChD [Christian Democrats] and the Neo-NDK [National Democrats] and in the Congress of Liberals (KL)—between the supporters of a "pure" liberalism and the broader central-rightist bloc.

**Old Divisions, New Divisions**

Divisions into the supporters of Lech Walesa and Tadeusz Mazowiecki from the time of "the war at the top [infighting]" and the presidential elections are no longer in effect. Those people who banded together with someone against someone else are seeking their own allies today among those who are related ideologically.

Aleksander Hall believes that most of the parties are ideologically incohesive and are fated to be only temporary. The majority of them have arisen as a result of the "war at the top," which, in his opinion, divided the Polish political scene artificially, while it simultaneously stopped the natural process of the creation of political entities.

Hall says: "I do not think that it will be possible to keep the current groups going, no matter how we juggle reality. This goes for the UD as well."

The activists of the three groups that make up the UD (i.e., Citizen's Movement-Democratic Action [ROAD], the Forum of the Democratic Right [FPD] and the Union created by Tadeusz Mazowiecki after the election defeat) were banded together by their dislike of Lech Walesa and his policy of easy promises from the presidential campaign, the slogans of "acceleration" and "decommunization," the defense of Leszek Balcerowicz's program and participation in the Mazowiecki government.

From the beginning UD politicians were aware of differences in world view. For this reason, they decided at the UD unification congress in May 1991 that it would be possible to nurture the ideas of the various communities which make up the party in factions. Two factions arose: Aleksander Hall's faction of the democratic right and the socioliberal faction of Zofia Kuratowska, which included a portion of former ROAD activists. However, the majority of big-name politicians, including Frąsnyk, Geremek, Kuron, Wielowiejski and Wujec, as well as party leader Mazowiecki (understandably so) did not join any of the factions.

Many people today believe that factionalism was a failure. Bronisław Geremek, head of the UD Parliamentary Club, says: "My personal opinion is that the creation of factions in the UD was not a good idea. In pragmatic parties, various ideological orientations may exist which are centered around persons or a periodical publication, but not around factions. The drawback of factions is that sometimes they satisfy their own interests at the expense of the entire group. But the existence of factions in the UD is a fact and we must do everything possible to make them a value in and of themselves. Factions ensure the pluralism of ideological orientations, while at the same time recognizing unity of action."

#### Where is the Enemy...?

As was stated in GAZETA (No. 22) by Aleksander Hall, leader of the faction of the democratic right, the politicians of the UD are split primarily over the question of who the political opposition is and along which lines the divisions run.

In Hall's opinion, a part of the UD believes that the opposition is the so-called clerical-national camp (i.e., the ZChN [Christian National Union] and partly the PC [Center Accord]), and the line of division runs between

the backers of an open society and those who, (in the opinion of that portion of the UD), wish to make Poland into a province of Europe.

Hall does not share these opinions. He believes that the real opposition is the postcommunist SdRP [Polish Social Democratic Union] and postcommunist attitudes, i.e., homesickness for the guardianship state which runs everything and is responsible for the fate of every citizen.

All unionists have become reconciled to the certainty that populist parties that promise miracles, for example, the KPN [Confederation for an Independent Poland] or Party X, are dangerous to the reform.

#### ...And Where Are the Friends?

"Pinpointing" the enemy is the point of departure for thinking about allies. Thus, Hall speaks of the need for a postsolidarity coalition—the UD, the PC, the ZChN, the KLD [Liberal Democratic Congress] and peasant solidarity, while, for example, Jan Litynski and Jerzy Osiatynski believe that this would be a coalition which appeals to the myth of Solidarity, which is incapable of developing a cohesive program.

Hall would seek political allies in the KLD, the PC, and the ZChN, and he would find in the UD many people who would like to work together with the KLD. He would perhaps even find such people (although with resistance) in the PC. Hall would not find enthusiasts of a coalition with the ZChN in the Union.

#### The Church, Abortion, and Conscience

Now and then a discussion over the antiabortion law and over the separation of church and state is revived in the UD. This quarrel has deeper ideological underpinnings.

In the opinion of Bronisław Geremek, "the KPUD [Deputies Club—Democratic Union] presidium decided that the club would not get involved in the abortion issue. However, if this issue comes before the Sejm forum, each one of us will vote according to his own conscience, i.e., without a club discipline."

Says Bronisław Geremek: "I believe that we must accept the modern principle of the separation of church and state, so that, as Primate Glemp stated recently, full cooperation between the church and state is possible. Failures of the formula of the separation of church and state up to the present emanate from the era of communist governments, when this formula was used by the state to spy on the church."

The leaders of the UD are trying to conceal these quarrels from public opinion. Perhaps they believe that if something is not discussed, it does not exist. Meanwhile, these arguments are still heated. Since several UD deputies, including Aleksander Hall, Hanna Suchocka, and Kazimierz M. Ujazdowski signed a legislative initiative concerning a law to protect fetal life (which

permits punishment even when the woman is a rape victim; the reaction was one of real resentment.

It appears that the battle over the enemy—the ally—the church—and the antiabortion law is not merely a quarrel "at the top," but one which has also filtered down into the party ranks.

#### **Paralysis, or the Major Sin of the UD**

The party's political strategy is also not clear. It does not enter the government, but it is not known whether it is the opposition.

Certainly it wishes to be taken seriously as a party. In the corridors of the Sejm it is said that the UD—having lost the candidacy of Zbigniew Romaszewski for NIK [Supreme Chamber of Control] president—wishes to demonstrate that without its participation it will be difficult to force through decisions which are vital to the state. As a small group in the parliament (but nonetheless the most numerous group) it can impact on the rise or fall of governments.

Wojciech Soltyk of the socioliberal faction, deputy chairman of the Warsaw UD Council, states: "Such a broad ideological and political spectrum no longer serves the party today. The UD should assume a more unequivocal and even aggressive position on many issues. The grassroots elements of the UD are aware of the battle in the leadership and we have expressed this in our resolution."

In a resolution sent to the UD central headquarters, the Warsaw UD demands a change in the way the party has operated to date and it charges the UD authorities with failing to assume an unequivocal position on the most important political and social issues.

The UD activists from Warsaw also demand that the UD leadership take an unequivocal position regarding proposed laws restricting human rights (in particular the antiabortion law) and regarding the separation of church and state.

Bronislaw Geremek said: "The charge was made that the UD is acting passively—that it is not visible." In the union there is the dominant view that it is supposed to label itself as an opposition party.

The opposite opinion, that the UD should enter into the ruling coalition, is currently playing a marginal role, although just several weeks ago there would have been found many adherents of UD participation in the government. I understand this criticism.

Wladyslaw Frasnuk, deputy chairman of the UD, adds: "Union authorities are unable to make use of the mass media and often they do not hold a clear position. This is one of the weaknesses and major sins of the union."

#### **It Is Possible To Love the Union and Not Choose It?**

Perhaps the need for constant compromise and, consequently, the lack of clarity of the UD's position, was a reason for its election results. Support for it proved to be lower than expected from pre-election polls. After the elections as well, more of those polled claimed that they voted for the UD than really did.

People were sympathetic to the UD, but apparently the voters hedged their bets on more unequivocal groups.

#### **A Breakup or a Purge?**

Today, UD politicians are faced with a decision: Should they continue to maintain the party in this form? The question over the shape of the party is also a question over the effectiveness of its activists who are engaged in an intraparty debate rather than public ones.

At one of the recent meetings of the UD presidium, Tadeusz Mazowiecki was to have announced that he would resign as chief if the factions continue to issue disloyal announcements and conduct incessant "wars."

Both the public statements of leaders of the rightist faction regarding the "maturation to autonomy," and the voices from the so-called field (primarily former ROAD [Citizen's Movement for Democratic Action] activists) who are demanding unequivocal statements on certain problems lead us to ask whether and when the breakup will occur.

It may happen, however, that the UD ranks are only being reduced by several politicians who, quite clearly, do not want to be there. The entire rightist faction does not share the expressed breakup views of its leaders, and the socioliberal faction (along with its chairperson Zofia Kuratowska) has officially assured its loyalty.

#### **What Next?**

Despite the games being played out among the factions, UD politicians will have to answer several questions for themselves: Will they continue to appeal only to the hoped-for "sense of responsibility for the state," which sometimes paralyzes any sort of action?

Or perhaps they will state more clearly: "We wish to defend the weaker—or let us grant unfettered possibilities to people of initiative?" And if they will make both statements, then will they direct a clear emphasis (toward the voters and not toward themselves)?

The question posed by Aleksander Hall—"Who is the enemy and who is the ally of the UD?"—also awaits an answer. And the most important question to be answered is this: How will the frustrations of field activists, who would like to do something but do not exactly know how, be vented?

The response to this will determine whether some reevaluation will take place in the UD and whether the quit



obviously exhausted leaders and frustrated field activists will want to conduct endless intraparty crusades

# **Center Accord, PSL Solidarity Agreement Signed**

92EP0232B Warsaw EXPRESS WIECZORN

in Polish 6 Feb 92 p 3

[Interview with Marek Dziubek, Center Accord Sejm deputy, and Ireneusz Niewiarowski, Polish Peasant Party "Solidarity" Sejm deputy, by Wojciech Sosnierz, place and date not given "A Promising Engagement"]

[Text] An agreement on closer cooperation between the Center Accord and PSL "S" [Polish Peasant Party Solidarity] was signed recently. We asked the chief negotiators of this agreement, Deputies Marek Dziubek of the PC [Center Accord] and Ireneusz Niewiarowski of the PSL "S," about the reasons leading to this agreement, the form this cooperation will take, and the possible union of the two parties.

[Dziubek] A certain convergence of ideas appeared during the formation of the Center Accord. Many PSL "Solidarity" activists—including me—took part in the work of the group of persons who founded the PC. The PSL "S" arose as a movement of a Christian Democratic nature. It also had ambitions of expanding beyond the rural environment. It therefore seems that moving closer to the Center Accord, a party having a Christian Democratic character, is natural. Personal contacts between the activists of the two groups—always good—were also important. Talks on cooperation between the two parties were conducted even before the parliamentary elections; however, cooperation has only now been formalized. The composition of the Sejm—in particular its fragmentation—after the elections is not without significance in this case. Our identical attitudes to the character of the government following the elections sealed the rapprochement. The PSL "S" and we both launched the concept of a "government of crisis."

[Sosnierz] In what connection may we expect a fusion of the two parties?

[Dziubek] The agreement on close cooperation may be called a "cautious first step" in this direction, but at the moment it is definitely too early to speak of unification. For the time being we intend to work together closely in the parliamentary forum and we hope that soon cooperation will also embrace the our groups' local organizations.

[Niewiarowski] I think that there were several causes leading to our closer relationship. I would consider most important our identical views on the government coalition, including agricultural policy, which for us is the basic issue. Deputy Dziubek spoke of the significance of direct friendly contacts. I can add only that in the PC's current leadership there are people who were cofounders of our movement, which helps us find a common language. Moreover, both groups have the same Christian Democratic character and a centrist political orientation.

[Sosnierz] In concrete terms, what does cooperation depend on?

[Niewiarowski] In parliament, we coordinate all of our more important actions. Take the issue of assigning a value to membership shares in cooperatives. Together with the PC, we undertook lobbying efforts and pushed through a measure that was of great concern to us. This example, while ultimately trivial, shows how important such alliances are, given the fragmentation of our parliament.

This unity of activity does not signify, at least not yet, the unification of the two parties. The PSL Solidarity has ambitions to enter the urban environment, and I do not believe that the PC would completely give up its expansion in the countryside. I believe that we will complement one another, and our cooperation will be as close as that of the West German Christian democrats with the CDU [Christian Democratic Union] and the CSU [Christian Social Union].

### FSN Unveils Program on National Convention Eve

92BA06454 Bucharest: AZI in Romanian 6 Mar 92  
pp 2-4

[Text] The great seal of the Front program for a new national policy bears our creed: "A Place for Everyone, a Country for All." It defines the program of the National Salvation Front (FSN), entitled "The Future—Today" and features:

- A motion document for the FSN National Convention of March 1992
- The FSN's declaration of faith to the fatherland, the history of the Romanian nation, and the youth who will carry on the country's current efforts with greater success and in different conditions of civilization in the next millennium
- An analysis of the current situation of the Romanian state and nation
- The central structure of the program of a future Front government

At this time, March 1992, the FSN is:

- The most popular party in Romania
- A party that, like all the others, is encountering difficulties in its actions and is more than occasionally making mistakes
- A party whose situation improves or deteriorates according to public opinion by virtue of natural political dynamics, suffers erosion, but continues to directly represent the wishes of the majority of the population engaged in creative, collectively useful, and productive activities in the present Romanian society
- A party that will continue to directly represent the interests of the nation now, in the near future, and in the long term
- The party whose main aspiration is to become the most consistently democratic political group in the country's life and to assert itself through honesty, competence, dedication to work, sense of justice, and profound understanding of the characteristics of modernity in a changing world
- The party that changes with the changes of the nation and the world in which we live; moreover, a party capable of steering some of these changes, initiating many of them, and implementing and perfecting these changes
- The democratic party of reform, for reform, and against any archaic right-wing or communist left-wing restoration
- The party that is opening up to the world not on the basis of subordination to any big power, but against the backdrop of Romania's equal dignity with all the other countries of the civilized world and of the clear, confident, and definitive affirmation of the FSN inserted and recognized in international politics

The landmarks of both the existence and activities of the FSN, as well as of the life and political activities of each one of its members or supporters, are:

—The Revolution of December 1989

—The Fatherland

—The Present/Modern Times

—Openness

—The Future

- Having the revolution as a point of reference means that the Front has obligated itself to totally break with the dictatorial past and in particular with everything that had to do with communist aggression and with the deliberate destruction of the country practiced by the communist regime on the basis of a false ideology. We must not underestimate the economic destruction of the country, our most ruinous current legacy, caused by a system invalidated by an ideology opposed to human initiative and to each person's right to seek their own good. Also, having the revolution as a point of reference means assuming an obligation to now achieve, without any delay, authentic justice, proceeding from a correct assessment of our recent history and from the refusal to compromise, but at the same time, from the principle of tolerance.
- Devoting the Front's actions to the service of the Fatherland implies respect for and dedication to the nation, loyalty to the united and national character of the Romanian state, the idea of the sacred nature of the national territory, an obligation for continued action, and perseverant pursuit of the complete reunification of historical Romania. The fatherland's past, its history, and its traditions are the main lessons for the future and the major creative source of the present and future changes in which we are engaged or will engage. The country's territorial integrity and its complete reunification are objectives beyond circumstances or accidental considerations.
- Respect for the current interests means respect for the modern present, for what is real and concrete, for the people here and today, who have their own rights and must find their own satisfactions, who have only one life to live on earth, and who may not be deprived of their chance to enjoy it.

One person represents one destiny and no more. The future generations also have rights in relation to us and the fatherland as it is today, but those who endured the communist hardships and oppression, as well as the difficulties of the reform and the transition period, are entitled to have their hopes and aspirations fulfilled at this time in history. Let us not forget to live for today's civilization, too, not only for preparing tomorrow's, let us not forget to live for ourselves, too, not just for our

children. The reform will steer us toward a healthy economy that can bring prosperity. Our economy must be made to already now offer better material conditions, at the beginning at least for those who are doing more work or showing greater initiative. We cannot believe in a future prosperity without beginning to see signs of it in the present. The dignity of our nation depends on our past and our future plans, but even more on what we succeed in being now.

We do not need efforts for their own sake nor efforts by a new sacrificial generation, only intelligent, constructive, and efficient efforts so that people can live better. Our duty is to once again capitalize on what we have and show what we can do.

The present means caring for each one of us, neglecting nothing, and not letting our national wealth and the Romanian intelligence go to waste. The foreign partners we need in order to overcome the crisis inherited from the old regime will be received on an equal footing, because the only chance that a country stands in a world of competence is the capability to work seriously and to prove that it can overcome its own difficulties and shortcomings. Machinery, resources, and law matter less to not of themselves automatically win a nation the respect of the other nations. The thinking, creativity, and work of a nation make it be recognized as an equal partner.

The future is our essential criterion in action and in life. Nothing of what was or is of what we have done or are doing can be viewed as good unless it advances us toward a good future and paves our way toward a condition worthier of us. We cannot stand still where we are, first because it would be below our dignity to live in the fact that the situation in which we now find ourselves after half a century of totalitarianism is dramatic—and secondly because the world keeps moving, and not building a future, even though it may require the greatest efforts, would be tantamount to excluding ourselves from the world in which we live. Today more than ever we need a long-term line for Romanian development and for the efforts of a modern Romania in a modern world.

Openness is the policy by which we can at this historic point achieve osmosis in our national life and integrate the Romanian civilization into the world civilization of which it was an original part and reunite our political destiny to the European and Atlantic political system.

The revolution, the modern and future world spirit, and openness represent for the fatherland a democratic life and complete transparency in our activities and actions.

What are the specific political elements apt to place us in the space described above and in which we should wish to place ourselves?

They are:

—The reform

—Unconditional respect for human rights and the sincere and persevering cultivation of these rights

—The return to a policy of public interest, genuine care for the needs of the people

• The reform is our path from communism and backwardness, from national selfishness and contempt for the individual, from economic autarky and distortion of the human condition, from international isolation and biological destruction to normality and civilization, to a lofty, albeit still imperfect human condition, just as and at least as much as this end of a millennium can produce. The reform has its economic, political, social, cultural, and educational aspects.

• In a modern society, respect for human rights means nothing more nor less than the fact that the society in question is a human society. The violation of human rights is not a quantifiable, measurable act; it simply occurs or it does not occur—but it is not acceptable even in the case of a single person and regarding even a single one of his rights, be it ever so basic. The smallest violation of the human rights is an act of utter gravity because, like peace, the human rights are indivisible. The FSN was not guilty of such violation and will not ally itself with anyone, whereas it may be who commits irresponsible and criminal acts of this kind. On the contrary, it will consistently take an attitude of encouragement for complete respect for the human rights.

• The FSN policy will mark a return to serving the public interests. There will never be any deviations from this principle. The FSN never, not for a moment and not at any stage, abandoned the idea of implementing a policy of public interest—an attitude that had been for decades forgotten. This also engendered the political will to reject any restoration, either of the type of the old right-wing, or of the left-wing, communist type, as well as the restoration of property without socioeconomic obligations, or of collective, anonymous property incapable of profit.

In present Romania the large land holdings were truly rather than sources of national wealth.

In the communist period in Romania property was undermined, but without property there can be no individual and national prosperity.

Politically speaking, property does not represent either the right or the left in conditions of respect for a constitution that guarantees and defends property; it has always been a source of economic health, ensuring both work and prosper.

Nevertheless, restoring activities privatized and returning to this principle to the Romanian public life will still require intensive efforts, determination, and strong dedication. The essence of the policy of public interest is not only a respect for personal interest, but also that of (class party) of group interest. The genuine parties of the great democracies are forms of competition among people who wish to dedicate themselves to the general



interest. The Front is not a party. At any point in the history of the Romanian people...

...exclusively the general interest of the Romanian nation were focused and... modern history such as... 1918, 1944, 1968 and 1989... century... of the public... personality... dignity... defended... national effort... for themselves.

The FSN policy will be based on:

- Continuity
- Rectitude
- Revolution
- Promptness
- Solidarity

The Front will continue in:

- The struggle for... of the nation
- The struggle for... of the nation
- The struggle for... of the nation
- The struggle for... of the nation

The present platform program... objective conditions.

- History is continuous...
- The Front will... obligations... relinquish... the rights and... declarations of laws.

The FSN, however, seeks... Romanian society.

Atheistic dogma... canceled his individual... raised to the... destroyed entire... are the main reasons... articles... and...

The Front will behave openly, honestly, realistically, unambiguously, and in a dignified manner. The Front will place itself at the service of the nation for:

- Hammering out, suggesting, and recommending solutions in political, economic, social, education and scientific areas.
- Participating in defending the nation in every respect.
- Ensuring the unity of the nation.
- Managing the necessary changes.
- Representing the nation in difficult situations.
- Ensuring that no political force will ever burden and oppress the nation.

### The Human Condition

The liberal societies of the end of the 19th century and beginning 20th century exalted the human individuality, something that was a historical revolution. It was, however, immediately realized that the individuality of some was most often exalted at the expense of others, something that was unacceptable. The excessive accumulation of property and power was accompanied by an equally excessive concentration of political power in the same hands.

Socialism emphasized the social nature of the human being. The caricatural and at the same time ideological application of socialism, which became an imperial principle in major European countries, led to totalitarianism and national-socialist totalitarianism. The justified rejection by all normal people of these totalitarian forms must not lead to the return of a liberal society in the form of unbridled, unlimited capitalism.

Man needs to have a place of his own in the community, in his fellows. He cannot be alone. He cannot live — that is, solidarity with those around and together with them — solidarity with an ideal. To us, a society in which each person has an opportunity to do what he can and in which he can find a chance of success, must always be a society in which genuine solidarity exists.

The only thing that political action must ensure is equal freedom, that each person has a hope.

Current social democracy implies the development of human individuality in a truly human social context. In fact, social democracy and liberalism tend to converge toward the good of the individual in the economic area, although at this time some significant differences continue to exist between them.

Social democracy is not only the champion of the person whose odds are the winner, but also of everyman, with its greatness and failures, his moments of enthusiasm and moments of hesitation. Social democracy is the good, the noble, the kind, that is endeavoring not to forget

and not to neglect anyone. This is feasible in view of the independence in principle of the political power from the economic power.

A center-left policy is based on familiarity with and understanding of the human condition and is founded on respect for the individual's situation and needs whatever they maybe.

While social democracy differs from liberalism in its human dimension, in itself that separates it utterly from communist egalitarianism.

Social democracy is not the "third way," it is simply a careful, controlled, nondestructive, and precisely therefore a more rapid way toward the only real prospect: economic freedom, free initiative, democracy, respect for human rights and realization of the human condition.

Our policy patiently incorporates the necessary moments required to be of assistance to both the individual and the community.

The component human elements of man's nature on which a humane policy must be based and which it must protect and develop are:

- The uniqueness of the human being.
- Human creativity.
- Human inherent productivity when the conditions are not outright hostile.
- Human solidarity, which frequently takes the form of devotion and self-sacrifice.
- The power to distinguish between good and bad and to live a moral life.
- The power and right to doubt and to look critically upon the world and oneself.
- The ability to manage oneself and to manage others by their mandate.
- The permanent desire to learn and discover.
- The desire to possess and to have power over oneself and one's property.
- The courage to develop and to rise spiritually.
- The capacity for great joy of life and for irreplaceable suffering in the presence of chaos, strife, suffering, and death.
- Love above all, the capacity to love.

Moreover, the modern human condition implies additional aspects impossible to ignore:

- A sense of equality of rights among all people.
- Faith in the human capacity to attain well-being, not only spiritual, but also material.

—Solidarity with those close as well as with all humanity.

Man, however, cannot view himself only superficially and in an idyllic light. Unfortunate circumstances may alienate his condition. In that case, human degradation can go all the way to self-destruction or bestiality. Each nation must know how to make choices for the good of a world both wonderful and at risk.

The human being has stopped threatening all life on the planet with nuclear destruction. The human condition improved enormously with the global disintegration of communism. The humaneness of the life principles must now impregnate all the systems and stages of our social life.

The present difficulty stems from the fact that suddenly, for the first time in history, we are in a position to develop and to fully utilize the vast potential of human nature. Our obligations and opportunities are greater than we ever imagined. Only a political movement equally dedicated to the principles of universal man and to the national principle of life can hope to significantly rise to the occasion of such claims and requirements. This is the kind of movement that the FSN is endeavoring to be.

#### Romania's Current Condition

Present-day Romania is the outcome of the millenary evolution of the Romanian people within geographical confines best delimited by Romania's boundaries as sanctioned on 1 December 1918. Present-day Romania is also the product of the resistance of our nation to 80 years of dictatorship, communism, and oppression and of recent historical developments.

Romania of the prerevolution years was a product of the cynical division of postwar Europe into zones of influence between the big imperialist powers, of the Stalinist dictatorship that enslaved those countries and imposed the domination of its own system, and of a tragical internal conjuncture. Present-day Romania and particularly Romania of our future tends to be the product of popular volition, of the people's will expressed in the currents, choices, and orientations of a modern pluralistic political formula.

To us, as well as to any responsible person or political party past or present, Romania appears in two postures:

- A country of the present.
- The eternal Romania.

Romania of the present is a country in political-economic transition, a transition that involves a vast transformation of trends, forces and structures, national mentalities and habits.

The transition features the following elements:

- A very extensive wish for change, normality, democracy, freedom, initiative, fulfillment, universality and prosperity
- The simultaneous presence of the consequences of communism, especially in structures and psychologies
- Attempts to regroup forces originating in the old structures and psychologies
- The rebirth of forms of extremism other than communism
- The tendency of all extreme movements to converge and the danger of a restoration of communism
- The perpetuation of aspirations for revenge and for restoring an archaic policy
- The reform as the propelling power for the changes of the past 27 months
- The consequences of the reform
- A mental clearing, manifested in two processes. Separating the reformers from the conservatives, and a new trend toward political reorganization and reassociation

The elements of eternal Romania supersede all doubts, whatever they may be

- The continuity, dignity, and heroism of our history
- National unity
- A cultural creativity which is at once lofty, open to the world, and specific
- An ethos of courage, justice, dignity, tolerance, and openness
- An identity that cannot be either diverted or confused with that of other nations

Between the two positions, the first, against which most attacks and slander are directed, and the second, that of eternal Romania carries the greater weight. That fact should give us food for thought, showing as it does how serious is the responsibility incumbent on everyone, primarily on those called upon by the nation to play a greater or smaller, but nevertheless significant role in the history of the fatherland.

Romania wishes and is endeavoring to integrate into the Euro-Atlantic world, in the free, democratic, civilized, and prosperous world. However, let no one be deluded. We are not making these efforts in order to secure advantages, nor yet to occupy positions of subordination. There are two reasons for the legitimate wish to effect Romania's integration:

- The recognition of the truth and reality that Romania defended Western civilization as a member of that civilization, as a daring outpost of the Latin and

Christian world. Romania has, however, also shown the West those aspects of the lesson that the East proposes to the world and that cannot be imported: a lesson in maturity and patience, coexistence among religions and nationalities, and links to the past and the absolute.

- The fulfillment of a duty. We have something to offer to Western man and universal man. The world civilization can only be mutilated by being deprived of the integrated participation of our civilization, whether the West realizes it or not.

We know full well that by integrating we will certainly not give less than we will receive, but that is a mark of our humanity.

The FSN's plans for present-day Romania are primarily:

- A national will to change and the means to incorporate this will into a broadly acknowledged national effort
- Reform, without which there is no future
- The outcomes of the reform, designed to achieve a positive balance between social, economic, political, and cultural costs and results
- A mental clearing that concerns us, in which we are participating, and which we seek to promote and understand

We cannot remain indifferent to the communist reminiscences or to the tendency of extreme movements to resurface and to regroup. We are not adopting a spirit of vendetta or revenge; we will seek justice and will demand punishment only for former oppressors or executioners whose omission would constitute a slap to the face of our nation and of mankind. We hope that the Romanian nation will leave other punishments to the care of God's wisdom. However, the FSN will not relinquish the objective of combating the communist ideologies, stereotypes, and thinking and especially of eliminating all the remnants of the communist structures.

As for eternal Romania, our concern is primarily to preserve:

- The morality through which we succeeded in creating a dignified history for ourselves
- The national unity, without which we could never find peace with ourselves
- Our culture, without which nothing entitles us to go on living
- The identity that constitutes the very national existence of Romania and the Romanians
- Our intelligence and creative powers, the only weapons that helped us survive dramatic centuries of trials and foreign occupation

If we could somehow marshal our involvement in the present, regarding eternal Romania, nothing could take a less proud place in our hearts.

#### **FSN—A Party in Movement**

As a party we owe our existence to:

- The revolution of December 1989
- Our dedication to the nation
- Concern for everything that represents change and for the transition we are experiencing.
- Concern for the dangers that accompany the entire change of the world.

We are evolving as the nation is evolving, but as a part of it, rejecting opportunism and rising above transitory conjunctures. For that purpose we:

- Acknowledge and respect our major options
- Subject ourselves to fact analyses with a view to clarifying our ideas, directions, and consciences.

The FSN is the issue of the Romanian revolution itself.

Its core was formed by the fact of its participation in the revolution and by virtue of the desire for change.

Soon after December 1989 Romania's transformations were evidently affected by political extremism, a policy of personal interest, and extensive public anxiety and confusion. The FSN continued to exist and to manifest itself as a movement determined to defend the nation against the dangers and traumas of the transition and against behind-the-scenes maneuvers designed to make the masses explode in the streets, and to skilfully exploit real complaints for political purposes.

After the May 1990 election, the same Front engaged in promoting the reform as the only possible means of showing responsibility for everything that can be a positive change toward normality in Romania.

In the area of international relations the Front cultivated:

- The promotion of our national interests within the framework of the great changes occurring around us and throughout the world.
- Rapprochement to other center-left parties in Europe and in the world.
- Concern with the changes produced by the disintegration of the Soviet empire, thanks to which Romania adopted a correct position vis-a-vis the Moscow putsch and the independence of the former USSR republics.

—Attention to cooperation with our neighbors, who initiated mainly relations of competition for the purpose of attracting Western interest, rather than relations of mutual support.

—Steering our democracy primarily by the experience of the major democratic countries: the United States, France, England, the Latin countries, Germany, Austria, Switzerland, and the Scandinavian countries.

—Carefully building a regional policy, primarily in order to create the conditions for a realistic reunification of the northern and eastern Romanian territories, through close relations with the Republic of Moldova and the social and political groups that share the same objectives and with the Bukovinians of the Ukraine Republic, as well as with the countries in the Danube, Black Sea, and Mediterranean areas, with Russia, and the other CIS [Commonwealth of Independent States] republics.

—Optimal relations with the main European institutions—CSCE [Conference for Security and Cooperation in Europe], EEC, AECS, the European Council and Parliament, NATO, EBRD [European Bank for Reconstruction and Development]—and with world political and financial institutions such as the United Nations, UNESCO, IMF, IBRD.

In its resolve to follow the national wishes, the Front sought to establish an ongoing dialogue with the public, the trade unions, and the press.

It did not always succeed as well as it intended.

As a government party—in the wake of the May 1990 election—the Front's main concern was to create a legislative and structural foundation for the reform. The Constitution, the privatization laws, and the land stock are the essential elements.

The current duty of the Front is to ensure the continued democratic development of the country, to continue the reform to its completion, and to build its vision of the near or distant future.

What the present requires of us is to:

- Settle the Front internally
- Participate in the legislative and presidential elections in a manner worthy of our capability to govern and the needs and expectations of the nation.
- Secure broad domestic and foreign credibility.

The future means:

- Implementing the reform in all its aspects.
- Entering a period of normality and prosperity for the fatherland.
- Planning and developing a Romania ready to enter the third millennium.

The idea that emerges clearly and beyond any doubt from all the above is that the FSN is determined—for its own sake and for the entire nation—to definitively break with everything still linked to the communist and totalitarian past, as well as with all other forms of social injustice that prevailed before the emergence of dictatorships in the Romanian political arena in 1938.

What must be unequivocally stressed, however, is that at the same time the Front considers it necessary that as of this year, 1992, the changes occurring in Romania and implicitly in the Front should acquire a much clearer and more distinct character and mark a much faster progress.

The Front considers it decisively important that the pre-1989 political situation should never recur in any form in the present or in the future.

The Front views it as equally decisive that everything that has been achieved in the political, economic, social, and administrative areas since December 1989 to this March 1992 should become only the background to our real democratization, our real political and social evolution, and our real path toward a market economy.

We want to eliminate the totalitarian reminiscences that darkened the lives of our people in the years following the revolution. This is the core of our program. The Future—Today, our present depends on and belongs to the future. The memory of communism must become nothing more than a memory, whose monstrosity should serve as a powerful motivation for our aspirations for democracy, justice, freedom, and a free and prosperous economy.

We must preserve and protect our Romanian traditions, the positive elements of our heroic revolution, and the positive elements of the first stage of the reform, but the Future—Today program affirms the fact that 1992 and the coming years must differ radically from 1990 and 1991. Without a clear-cut immediate change, without clear-cut and immediate progress, our nation will become disillusioned and confused, and will run grave risks. The political force capable of achieving change and progress is the FSN. The Front will change the present and future of the fatherland by changing itself as a party.

#### **FSN—Government Policy and National Policy**

We begin by referring to ourselves because we do not view ourselves as an end, but as a means. Our objective is Romania, and with it each Romanian individually, and by Romanians we mean all those who live on Romanian land.

As a means to an end, we, the FSN, must rise to the level of our objectives.

As the means for and tools of a change difficult to conceive in the country's past, we must meet the following conditions:

—Receptivity to all the aspects of the national life

—Internal coherence

—Correct actions and just and effective implementation of the ideas we serve

#### **A. FROM THE NATION TO THE FSN**

The Front will be a worthy and good system for receiving all the signals and works sent by the nation out of its generous, open, and productive nature.

The Front will indeed know how to receive and will have and organize a good system of reception by means of:

—Territorial and central structures

—A mature political behavior and style, and the ethical behavior of its members.

—Modernizing the means of relating, absorbing, and processing the information, views, criticism, ideas, energies, and wishes of the nation.

—People who will dedicate themselves to it as members or who will participate in the Front's efforts, actions, or difficulties, in its success and failure, as supporters and sympathizers.

Through which of its elements and structures does the nation communicate its messages, thoughts, energies, wishes, and views to the FSN? Primarily, of course, through the members of this nation if they so wish, but no less through a string of social structures, with whom the Front is dutybound to maintain good relations involving information, dialogue, and exchanges of views. These structures are the trade unions, religious denominations, professional management, cultural, and charity associations, unions of creative artists, public institutions, universities, state structures (as long as the Front is the government party, but even if it ceases to be), sports associations and institutions, research and public survey institutes.

In line with the national interests, the Front maintains a broad network of foreign relations with:

—Parties in other countries with which it shares leanings and concepts.

—Leadership structures of other countries.

—Foreign businessmen.

—Romanians in the diaspora.

—All foreign citizens interested in communicating with the Front.

The FSN will open up much more widely to the nation and the world. Should there be hesitations or flaws in this endeavor, the very existence of the Front will be threatened and the nation will suffer in the wake of the political vacuum, lack of will, and chaos that will ensue.

The bad times in our postrevolutionary history were usually times of break-down in the relations between the



Front and certain elements of the nation. That does not, however, mean that they were not generated by actions hostile to Romania's development, or at least to coherence and convergence between the Front's actions and the trends of the current Romanian history.

In order to ensure operational channels of communication from the nation to the Front

- Public relations offices will be opened at FSN regional and central headquarters. Any citizen who will wish to communicate something to the Front will be able to do so in a favorable and honest atmosphere, directly, promptly, and efficiently.
- Any endeavor to improve the communication between the nation and the Front will fail unless the party members become capable of communicating more democratically and in conditions of broad and responsible criticism. Thus, each Front member has an important opportunity to become more human and Romania, its citizens, each FSN member, and the Front will gain by it.
- The FSN's means of communication and of data storage and processing must be modernized and their capacity and efficiency must be increased. The material problems raised by this kind of modernization are not easy to resolve. Joint efforts by all the party members are required to identify resources.

What will the FSN offer in point of signals, dedication, and contributions?

- Above all, the Front must provide extensive, in-depth, and correct information on the state of the nation in all its details. Without such information the Front actions will lose support.
- The Front is duty bound to familiarize itself with the views held by the Romanian people, both the majority and minority views. Such views determine both the political behavior and the aspirations which this behavior is called upon to serve.
- Critical views are the most important views. We must learn to live with criticism. Rejecting criticism as a matter of principle is the beginning and essence of totalitarianism.
- The Front must carefully distinguish the political ideas that the nation supports. Without any opportunism, populism, or demagoguery, the Front party must show the greatest respect for those ideas as part of the dialogue between the Front and the nation, between the major current Romanian party and the Romanian fatherland, because the Front is there to serve the nation, not to dominate it, not even in the area of value choices.
- However, the best plans are useless—with however much democratic respect they may have been made—unless they are supported by the major energies of the nation and by a massive segment of the human

capacity of effort present in the people. These energies and dynamic capacity can easily be mobilized in conditions of openness and trust. If the Front's policy will be entirely transparent and if the Front will show itself worthy of trust in all its major or minor actions, the national effort we expect will undoubtedly be set in motion.

- The individual or public will come to the fore in the ability to launch a large volume of human energy in a substantially organized, judiciously established, intelligent, and productive direction. The will of our nation will be steered in conjunction with the political will of the Front and will make legitimate choices in various areas—such as the economy, domestic and foreign policy, culture, and social protection—which will meet with real success.
- A party also grows together with the number of its members, supporters, and sympathizers. The correctness of the Front's policy will be verified to the extent that people will be motivated to support it from the inside or the outside.

The FSN will substantially improve its relations with the trade unions. No process or phenomenon of modern social life can be realized without the contribution of the trade unions or the reactions induced in their activities. In the democratic world, the trade unions are autonomous and that is precisely how they institute a string of criteria for party activities. If the Front will not correctly receive the signals sent by the trade unions, its chance to play a genuinely important role in Romania's history will dramatically drop.

The Front's relations with the churches are not mere institutional relations, but constitute its relations to the profound spirituality of an entire nation.

All the other institutions through which the life of the nation is expressed—beginning with the state institutions and structures and down to sports, cultural, and educational institutions—to the extent that they have something to say to each other and each of them to the nation in its entirety or to a segment of it, will also have something to say to the FSN, and this truth must not for a moment be forgotten.

One essential element for the Front is that in its relations with the country, it is represented—in the wake of the local elections—by a large number of mayors and councilors in various urban and rural communities. Of all of them, the Front requires a model behavior and total dedication to that corner of the land to which they were elected, to the country, and to the nation. These local elections once again proved—albeit with a smaller percentage of votes than in May 1990—that the FSN is the major political force in the country. We must not confuse the May 1990 elections, when the difficulties of the reform were still unknown and the public turned to the FSN on the basis of its confidence in the provisional government, with the situation prevailing in February-March 1992, when the FSN had assumed the risk of

initiating and implementing the reform with its high social and economic cost. We must not forget that the Front bore the erosion of a loss of popularity that was only normal in view of the general crisis of failing production and transition. We must not forget that the Front has demonstrated its consistency as a party of reform and democracy by ensuring a complete freedom of universal vote and honest local elections. Even in these conditions the Front won 34 percent of the votes, while a very broad coalition of parties incorporating the main historical parties, the Civic Alliance Party, and UDMR [Democratic Union of Hungarians in Romania] won 24 percent of the votes. Alone this fact shows that the FSN is still the main hope of the nation and the major party that the country and the people need, with which they wish to communicate, and which they empowered to represent them.

In foreign affairs, the Front is engaged in direct relations of practical assistance with all the major democratic parties of the world and particularly with the European and North American democratic parties. The Front's relations with many European social democratic parties are based on many similarities of political concepts and positions. A clarification is however necessary in this respect. The FSN is and will remain—at least at this time in Romania's development and in world evolution—a social democratic center-left party. The social democracy born in West Europe is characteristic of and suitable for the developed countries, the countries in which a capitalist economy is producing both great individual wealth and a general massive accumulation of capital. Personal wealth must be made to engender human responsibility and not to generate domination over one's fellowmen. The general accumulation of capital in the developed countries allows them to pursue broad social, national, and cultural actions.

It is to such objectives—which are achieved by reserving a part of the capital available in the free market for broad social interests—that the social democratic parties devote their actions in the West. The stringent vital requirements of Romania's development are encouraging initiative, social protection, and the accumulation of financial resources. In order to attain those objectives the Front must carry out discriminate political actions. From its poor market Romania needs to set aside enough for social protection, education, and culture, and for supporting the national identity actively enough because the nation was extremely frustrated before the revolution. On the other hand, the market must be stimulated by the most direct and typical means of a free economy and we do not have a right to encumber it by imposed measures. Such imposed measures may produce momentary, purely symptomatic, and temporary relief in one economic area or another, but it will restrict the formation of the financial resources without which it will not be possible to achieve either national socioeconomic modernization, or to stimulate initiative, or to attain a prosperity that will later reflect on education and culture. These considerations of a global political program will shape the structure of the FSN's relations with

foreign parties, with the countries of the contemporary world, with the Romanian diaspora, and with foreign businessmen and men of culture.

## B. FSN—INTERNAL CLASSIFICATION AND SETTLING

Some of the significant political difficulties experienced by the Front throughout the period since the revolution stemmed from postponing internal clarifications and failing to delimitate certain views, to confront and possibly resynthesize them in a coherent attitude. In order to have clear options regarding the life of the nation and to be fully coherent in its concept, the Front must have a precise vision of its own ideas, positions, and opinions. In order to be coherent in its actions, the Front must ensure the greatest possible continuity in its own political concepts. Naturally, coherence and even united political action are based on ideas, but are not restricted to this. The activities inside the Front are based on three fundamental aspects:

### —Principles

—The existence of various currents and trends of opinion within the Front and the relations among them.

The internal structures of the Front as a party.

The principles of the political philosophy and concrete actions of the FSN have been generally outlined beginning with the declaration program issued by the FSN Committee in the night of 22 December 1989. The Front reasserts its solidarity with that declaration, which marked the beginning of our democracy as a legal system. Most of the political choices of the Front are in principle found in the Romanian Constitution. It can be said that our new Constitution, which the Romanian people approved by referendum, was to the largest extent the outcome of the FSN's dedicated work for the fatherland and its history. A number of other legislative acts, initiatives, or public declarations aimed at the nation or at the international community contain the sum total of the political principles supported by the Front. What we now need is to establish the relationship among the principles, to prioritize them, and especially to transpose them to the actual Romanian social-political situation. This can only be achieved by comprehensive, lengthy, democratic, and thorough debates inside the party. But the landmarks for this clarification of principles must be placed already now.

The 1989 revolution unleashed an irrepressible popular determination to break with the past 25 years of Ceausism, with the entire period of communist dictatorship, and with every form of totalitarianism. The national unity in this movement was extremely broad. It was soon discovered, however, that the anticommunist movement born in and of the revolution could also give rise to excesses leading to violent right-wing extremism, to a communist reaction to such extremism, and to other

serious shifts in the public's political attitude in Romania. The great majority of the nation did reject this kind of phenomena, just as it rejected communism. The trial of communism in all its criminal deeds and acts had to be carried out and it is still a requirement, but it must not take place amid an outflow of uncontrolled emotions, personal hatred, and other irrational manifestations. On the other hand, a tendency has appeared toward discarding, together with the communist past, a number of human values accumulated by the nation.

One of the first reasons for which the FSN was formed was to find the optimal line in Romania's political development, made up of the Romanians' ingrained antibolshevism, but free of any extreme and demagogical exploitation of anticommunism to the disadvantage of the country. This matter of principle is still today open. Between those two tendencies, two distinct currents have emerged in the Front: a reform group and a conservative current.

We will not now discuss the tendencies of the conservative wing of the party, which have to do with the psychological incapability or the profound lack of interest of some people to completely tear themselves away from the communist past. The reform group, which is the majority group in the Front, is the leader of the party's actions toward the future, toward the truth of our history, which implies the modernization of the Romanian life, the genuine and extensive development of democracy, respect for human rights and freedom, and our country's opening up to the world. Our nation unequivocally supports this path of political development. The duty of the Front is to prove its option to the nation and to convince it of the irreversible nature of this option.

As the party of reform and democracy in its entirety—that being the essence of its political action—the FSN promotes the following major political principles, which it will never abandon, which it will cultivate, and in whose spirit it will endeavor to develop as a party, in the interest of the entire nation:

- Faith in God as a central fact of human existence: those who cannot believe in God—and for whom we will always show full understanding—have at least the faith in man, in his rights, and in the need for lofty ethics. In the absence of those we are compelled to view the human being as alienated. We deeply respect the orthodox faith of our nation, but we know that God is one, whatever the form in which men pray to Him. We respect all the faiths and support ecumenism.
- Faithfulness to the human principles and human rights, in the spirit of which we will join the community of civilized, modern states and nations.
- Complete faithfulness and devotion to our nation, to the point of self-sacrifice if necessary.

—Absolute decision for democracy. Our democratic spirit will never be mere talk. It will always imply:

—The right of each human being to participate on an equal footing in the important decisions affecting the fate and destiny of the fatherland, by means of elections, referendum, and free speech.

—The right to free association, and political action, having access to correct and varied information in its contents and opinions.

—The exclusion of any possibility of suffering reprisals for political views or actions.

—Complete transparency and frankness in our political and administrative actions, and a perfect structuring and delimitation of political concepts. No Romanian regime ever had the degree of transparency that such an action merited. The new evolutions in the contemporary Western democracies place transparency among the top ethical and political values. We are determined to become a modern nation and we know full well that this is not achievable if even the smallest detail of the administrative process and political actions we undertake is not sufficiently clear. We pledge both to our nation and to the international community that we will reveal everything that should reasonably be known about ourselves and our activities, with the exception of natural secrets regarding national defense and loyal scientific and economic competition.

—The constitutional nature of our actions. Under many totalitarian or authoritarian regimes, the concept of enemies of the people was abused, sometimes criminally so. We do not hesitate to responsibly and resolutely state that to the FSN the enemies of the people are the enemies of the Constitution, especially when their duty is precisely to defend the Constitution. The FSN demands from all the state authorities complete, unconditional, and absolute respect for the Constitution. The smallest violation of a constitutional principle can open the door to chaos in Romania. Only after achieving full and deep respect for the Constitution can we accept the fact that this supreme national act is perfectible, but only in the conditions envisaged in its text.

—The reform is to the FSN not just a pragmatic issue, but a matter of principle. If the reform had not been necessary, December revolution would not have been necessary. If the communist totalitarianism did not have to be eliminated to make room for a free, democratic, and open society based on a market economy, the world would not have experienced the great change that began in 1989, sped along by the new revolutions of 1991, which still continue.

—Another major principle is that of social protection. Each person must feel that he has the help of the society—a friendly society, in its turn ready to rely on him at any time. The slogan of our action is: "A place for everyone and a country for all."

No opposition is permissible inside the Front as a departure from our principles, regardless of hierarchy or individuals. Moreover, this party will not even tolerate old-type, equivocal or reserved behavior in relation to these principles. The Front favors diverse positions, but some of our creed is sacred and not subject to negotiation.

The intensive coherence of our policy stems above all from respect for the above listed principles. They constitute the system of reference by which we judge ourselves.

#### **FSN Currents**

The Front believes that diversity of opinions within it is a natural thing beneficial to democracy. It is in keeping with its democratic bent and it is rejuvenating. Violation of the above principles is not acceptable and it places the authors of such violations outside the Front.

The following will not be accepted within the FSN or in its policy:

- Necommunist-type currents striving for the restoration of a totalitarian extreme left. We must point out that such currents are attempting to regroup in the country and they present a threat both to the Front and the nation.
- A currents striving for a restoration of a nationalist extreme right. Although such tendencies have not materialized in the party, they have made themselves felt, albeit not strongly, inside the country.
- Any group or party who, in their leanings and activities, will seize the power in the party or in the state for the purpose of establishing a political monopoly or a totalitarian regime, thus jeopardizing the democracy and the humanistic values, are by definition incompatible with membership in the Front.

Supposed ideas and currents of ideas may at any time be present—and have a right to exist—inside the party. Any party's *raison d'être* is precisely to produce an internal combustion that later will give rise to coherent structured views useful to the nation. The currents inside the party are models of the nation's issues, not commandos trying to take the party hostage.

#### **FSN Internal Structures**

Just as in relation to the nation the FSN must above all show supreme respect for the Constitution, the only legal basis and acceptable criterion within the internal relations in the party is the Front's statute, its present or future statute. Nothing but the statute can be taken into consideration. Nonstatutory interferences in party affairs and deviations from the statute debase the structures of the Front and in the final analysis lead to internal confusion and anarchy and to the destruction of the party.

In addition to this matter of principle, the party's internal structures must be:

- Staffed with dignified, bold, dedicated and competent people
- Be open to the public
- Communicate among themselves frequently and efficiently, reporting to the political decisionmaking factors on the real situation prevailing in the country, in the various localities, among the minorities and over individual destinies both in cases of success and in cases of abject poverty or disaster
- Use modern techniques—as permitted by our material resources—to optimally process information

#### **C FROM THE FSN TO THE NATION**

The Front will place itself at the service and of the nation by:

- Its unbound devotion, i.e., its faith, hope and determination, like those of each one of its members, to the well-being and prosperity of the fatherland
- Its capacity for effort and its capacity to focus individual endeavors on the public good. One of its invariable principles will always be: *"Salus populi suprema lex"* [The good of the people is the supreme law]
- Its intellectual and professional capability and its political experience, gained while being in government through the latter's successes and failures, and in the process of implementing the reform

The specific ideas and principles of the Front can be defined in relation to a series of aspects resulting from a direct observation of our life and all its problems.

The major political task of the FSN is to guide the state toward the nation. In those facets of the state evolution that must still be built or rebuilt, we must organize structures that will help the nation, not be a burden for it.

- In the course of the transition period, primarily, the state has an essential role to play in the economy. Both in the area of the economy and in that of general policy, a good government requires:

- Foreseeing the most dangerous possibilities and the least favorable cases in order to preempt catastrophic backslides and crisis situations
- Putting things in their proper place and in good working order when everything is going more or less normally, as a condition of the general social-political environment



- Practicing moral values and reason in the field of freedom
- In every respect, but especially in the economy, the state must be able to take decisions resolutely and in useful time

The following are an absolute requirement:

- To carry out complex, in-depth, authorized studies in the main areas of productive activities, with a view to establishing on which enterprises, economic structures and geographic zones we can primarily pin our hopes for progress and development
- Subject the enterprises to the real conditions of a market economy in order to find out their level of competitiveness
- Resume investments in keeping with the competitive new findings, where such findings cannot be obtained on the basis of economic studies carried out as envisaged above
- Retrain the labor force in accordance with the choices made

The economic areas that are objects of a priority interest—as results have already indicated—are undoubtedly the agriculture, the food industry, and tourism; many others can be easily identified. The Front believes that any indiscriminate generalized governmental approach to the economy constitutes nothing but a communist reflex in operation. The Front's economic policy, which is a policy of free market economy, has been, ever since the beginning of the transition, a discriminating policy, intent on separating between the future and the past, between good and bad, productive and unproductive, initiative and inertia. The Front government did not manage to completely achieve this differentiation and the subsequent coalition government did not pay sufficient attention to this important aspect. The process must be resumed with the greatest resolution and responsibility. That is our only chance for economic recovery. No economy ever recovered by resuming its development uniformly, generally, and equally.

However, the economic state, as well as the social state to which it is closely linked, are treated in a distinctive chapter of the present situation.

The state administration is still linked to bureaucracy. In this respect we intend to:

- Eliminate any communist-type behavior
- Eliminate bureaucracy as a parasitic form of oppression of the nation
- Enhance the coherence of government actions, also by creating new governmental structures where necessary, not dynamic and flexible structures, capable of facilitating positive actions, rather than blocking them. We

still do not have all the necessary structures and systems, but we do have others, utterly useless ones.

- Increase government responsibility, as well as responsibility at all the intermediary levels of the state apparatus
- Computerize the work of government institutions

It is the duty of the government administration to become coherent and more flexible at this time. It experiences great bureaucratic impediments, a marked state of disorganization, and an advanced inability to decide and to make well-founded decisions.

The state must pay special attention to other national areas too, namely to defense, health care, culture, scientific research, schools, youth problems, sports, foreign relations, and the judicial system.

The actions in all these areas evolve as principles and as the level and method of organization from the general political considerations expressed in this motion, as well as from the specific internal and international conditions and primarily from the economic conditions with which we are dealing. Nevertheless, a number of specific viewpoints must be formulated:

- The Romanians have always been proud of their army. Even at times when the country did not have the means to be materially very generous toward its defenders, they were no less willing to make sacrifices and the people loved them all the more. To a great extent our history is a military history. Now, however, the situation contains many new elements which can nevertheless be grouped in two categories: advanced technology and foreign conjuncture.

It is absolutely obvious that regional, continental, or global security systems can guarantee the independence and territorial integrity of each country through a sustainable relation between each country and such systems.

However, a defense capability is required to ensure national sovereignty. Such defense must be apt to permanently deter an enemy comparable in the strength of its state and nation with the state and nation under attack, or able to oppose a strong resistance against a much greater force, a resistance strong enough to allow the international security systems and alliances to kick in.

Technological development, however, requires the continuous modernization of the armies.

- A modern army can be only as efficient as its technology, its armaments that requires both weapons as such, as well as the ability to use them and the appropriate human technical capabilities. Consequently, Romania must develop a professional army, albeit our limited resources for compulsory military service must be maintained, but we had sufficiently well equipped professional units, the strength of the military service could be appropriately reduced.



The international political conjuncture has reduced the danger of global war but increased the danger of local conflicts. Romania is dutybound to carefully examine and to duly join both international security systems and bilateral alliances.

It must be understood that in today's world the geopolitical aspect of security is not the most important aspect. The rapid deployment of special military forces and the ability of certain categories of weapons to operate at a distance mean that in many situations regional alliance systems are not necessarily the most effective.

The fatherland's defense capability does not depend only on the army and is not tested only in war. For an efficient and continuous defense we need police, border troops and firemen as well as highly professional intelligence and counterintelligence services. The FSN will develop a policy of support for these institutions and will insist on their apolitical character, their only being facing the policy of defending the national interests of the Romanian state. Support for the police and intelligence services must include technical and organizational modernization and, where necessary, more troops. They must be worthy of the highest confidence of a new modern, law-governed state that has experienced the tragedy of a period of instantaneism and the purgation of countless postrevolutionary troubles.

#### FSN Electoral Losses 'Grave', Remedies Analyzed

(Bucharest, Romania) JPRS 92-039, 10 March 1992  
10 March 1992

Article in *Curierul National*, The National Salvation Front After the Local Elections.

Text: From whatever angle one looks at the vote, the FSN (National Salvation Front) was the great loser in the administrative elections. Although the Romanian people tried by every possible means to play down the defeat of the Front with a view to manipulating the voters for the second round of elections, the FSN leaders had to admit unequivocally the magnitude of the defeat. Thus, the FSN national leader, Peter Roman, said that the Front's decline was clear and could not be denied, just as the general success of the opposition could not be denied. According to Peter Roman, there is a normal democratic process. The spokesman of the Roman faction, George Stancu, said that the Front leaders had a serious fault, one is that it widened the political spectrum. One of the prominent members of the anti-Roman faction, Vasile Vacaru, leader of the FSN Senate majority, said that the Front's defeat must not be played down in this country. The party must now proceed to a serious analysis to pinpoint the reasons for the defeat. More points not under suspicion will have to be found and some ready will have to be met.

In the first round of elections the FSN got approximately 15 percent of the vote, something that marked a striking drop from the 60 percent of two years ago. The second round of elections brought a new polarization of the

FSN which lost hundreds upon hundreds of mayoral positions, including over 20 county seats, but the most humiliating chastisement came in Bucharest, where the Front lost absolutely everything, that is, the general mayor and all six district mayors, all seven of whom belong to the united opposition. No Front official can now find consolation in the victories won in a large number of communes, because the utter loss of the major cities, including Bucharest and Timisoara, the centers of the revolution, cannot be viewed as anything but an extremely grave failure.

Only 21 months were enough for the FSN to lose almost half of its sympathizers.

One major unknown is whether this failure will or will not cause the Front to split into distinct and obviously centrifugal segments. The National Convention scheduled for this month should provide a first answer. But there too, there is something new. The FSN now realizes that one of the major reasons of its defeat is that the opposition put up a united appearance, whereas the Front was torn apart by the Iliescu-Roman conflict. Unity, therefore, is the key to success, both in theory and in practice. Now it is clear that the FSN is living at any cost to avert a break. For a month now, both camps have aimed down their verbal barrage, not just of any desire to spare each other, but in order not to damage the results of the local elections. Now there is silence on the surface, as to preserve the appearance of unity at any price. Neither side, however, there is no respite in the attacks. The Iliescu wing, utterly declared that either Roman will have to take his leave of the Front or the Front will take its leave of Roman. In other words, either he resigns or he is fired. Mr. Petre Roman does have a chance of retaining the Front leadership, even a very big one, considering the fact that the prime minister may be accused of many things, but not of lacking skill. Having resisted the former attempt to remove him from the Front leadership, staged last December by President Iliescu's mercenaries, now Mr. Roman has refused another urgent proposal to remove him, namely, Adrian Nastase's suggestion that he take over the leadership of the Front in exchange for accepting Mr. Roman's candidacy for the presidency of Romania. Peter Roman is not a naïf as the foreign minister may think, to give up the one that would stand for the two in the trash. He may possibly think that he could have all three.

In another connection, it is urgently necessary for the FSN to formulate a distinct ideological line. Otherwise it will continue to function as a nebulous group, more akin to a mafia, not close to a political party. Everyone is talking about democracy, but the reality is that the Romanian people has not the slightest idea of what it means, since its leaders do not know and identify other than that of communism. Ion Iliescu is the symbol and the sole representative of post-communist communism. The Iliescu brand seems to have some idea of social democracy, but the idea is that the former prime minister's label is generally made up of young people, many intellectuals, many with good professional training.

who know full well that in present-day Romania social democracy is of absolutely no use. One of its major objectives is redistribution, but in Romania there is nothing to redistribute but poverty. In other words, only a liberal program can move the country along and pull it out of chaos and abject poverty. Petre Roman is fully aware of these things, but he and the FSN promised the people peace, social protection, and higher earnings than under Ceausescu. Now all those electoral lies have collapsed.

As the economic, social, and financial promises turned out to have been nothing but slogans, the Front proceeded to play, with a certain measure of success, the last card it was holding, that of nationalism. Ever since last fall, after his comedown, Petre Roman said that the true propelling force of Romania's development was the "Romanian national ideal." Subsequently he progressed from words to actions. On 24 January of this year Petre Roman attended the Union meeting in Iasi in order to emphasize his distance from Iliescu, a convinced anti-Unionist. In the local electoral campaign, especially in Transylvania, the Front adopted the language and theses of the extreme right of a national-communist origin. The most virulent nationalistic propaganda with clearly chauvinistic accents was carried on in Targu Mures, Cluj, and Oradea. In the municipality of Cluj, the Front overtly supported Vatra Romaneasca's candidate, who managed to defeat the candidate of the Democratic Convention. In Targu Mures the Front went even farther and formed an electoral cartel with Vatra Romaneasca, Romania Mare, and the Democratic Left Union. This nationalistic offensive by the Front does not have many chances of success. First off, the Front cannot win over the voters of the extreme right, which is better organized from the viewpoint of propaganda. The leaders of the two main extreme right parties, Radu Constanta and Corneliu Vadim Tudor, in fact hold the most abominable opinion of the Front and especially of its leader, whom they never omit to reproach for his Jewish parentage. And finally, we cannot help emphasizing that the FSN now has only one hope, namely that the Democratic Convention will disintegrate. It will probably channel its underground activities toward that objective. It remains to be seen, however, whether it will succeed.

#### Political Demise of Iliescu, FSN Predicted

VLADIMIR BUCURESTI — *in Romania*  
18 Feb. / Mar. 1992

Article by Dan Pavel, Buc. Buc. Iliescu

[Text] After two years of stagnation and even regression, Romania is reentering Europe. It is reentering the contemporary era. Not by a miracle, as in the revolution, but much more slowly. By vote. The electoral decline of the FSN (National Salvation Front) marked the first unblinking of the process of transition from communism to democracy. A social and political unblinking that opened up the way for the assertion of a true society.

The electoral decline of the FSN was both spectacular and partial. How so? Because it took place only in several major urban centers, in important FSN fortifications otherwise difficult to control. The revolution began in Timisoara and continued in Bucharest, then Brasov, Sibiu, Arad, and Constanta, after which it was swiftly stifled. It was no mere coincidence that in those cities, plus Ploesti and Bacau, the Democratic Convention now won. Only now are they ready to continue what they had begun in December 1989.

The success of the Salvation Front in salvaging what could still be salvaged of communism and in reconditioning, restoring, and reutilizing the old nomenclature, its success therefore in stopping the revolutionary process, did not come as a consequence of any supposed efficiency on the part (this movement) become government parliament, which later became a party. The FSN could not become efficient by taking over all the institutions of the old regime, complete with repressive apparatus, because the old regime was not efficient either. The FSN did not become efficient because it administered only first aid treatment to the institutional system. Consequently, the FSN's success in stifling the revolution came from the fact that the society was not yet ready for an anticommunist revolution that had been served to it on a platter. There were neither strong trade unions, nor well organized political parties, nor credible political leaders (except for opinion leaders), nor functional political alliances, nor a democratically educated electorate. All these do exist now. They are not perfect, but they can be perfected by the time of the general and presidential elections.

The voters themselves realized that the FSN was a party of opportunists, political adventurers, anglers in troubled waters, nouveaux riches, and people who had overnight become wealthy and powerful by means of profiteering, corruption, and influence peddling. Many of them realized for themselves that the FSN was in fact not a party. The FSN is not a party because it has neither an ideology nor a strategy (except for quickly seizing the power and hanging on to it at any cost) only tactics. In other words, the voters realized that what the Front offered them on 20 May 1990 was only promises and short-term solutions with no effect in the long run. This prompts us to state that a considerable number of the votes won by the Democratic Convention were not politically significant because—aside from those who underwent a transformation and became democrats—those who now voted for the lies were the dissatisfied and the disappointed. What the Democratic Convention (as component parties) now lacks is not only a well revitalized ideological program (we are actually short on ideology!) but also a (long-term) political strategy—other than the mere universal human rights and the culture of democratic procedures—a specific strategy in keeping with the domestic historical realities and international realities and capable of representing the social and political interests of definite social categories and of coherent segments of the electorate. By providing an

incentive to the broadest possible social category, the social body will be restored to working order.

Faster than the measures to neutralize communism and FSNism and to combat xenophobia and visceral, violent nationalism, the Democratic Convention will have to swiftly get to work on the people's worsening living conditions. Where democratic town halls have been elected, that is finally possible. Everything that has to do with supplies, hot water, heat, cleaning, combating corruption, transportation, people's leisure time, new jobs, etc., can be improved through efficient administrative measures. This will be the most valuable electoral capital for the general and presidential elections, as well as a political capital that will have a devastating effect on the FSN power monopoly.

For Ion Iliescu the sun has begun to set, for him and for all those who at one point were his accomplices in the malevolent stifling of the Romanian revolution (Brucan, Magureanu, Roman, Voican, Martian, Bariadeanu (Cazimir Ionescu, etc.), and for the second and third ranks of the FSN power. Along this line, the political struggle has become a struggle for life and death for the FSN leaders. The trial of communism cannot begin unless it is preceded by a trial of the Romanian revolution, a trial of the miners' raids, and a trial of the ethnic provocations—a trial of the FSN. Because a day will come when all those who collaborated through fraud, deceit, and abuse of power with Iliescu and his neocommunist gang will be viewed as what they are: collaborators. The recent electoral results are a warning. A warning to the prosecutors and magistrates who have still not grasped the fact that they are independent and must use their power only in the service of truth and justice. The FSN still holds important centers of decision and power, but not for long. The general elections will carry to the end what has now begun. If one of the heads of the present Romanian intelligence service were truly intelligent, as were the generals who realized that there was no point in continuing to support Ceausescu, he would already now switch to the Democratic Convention, before the sun of the present president has set again. However, if the members of the Democratic Convention do not grasp that they must come up with only one candidate for the presidency (whether it be Ratiu, Manolescu, or Ciampreanu), Iliescu may well be reelected. That would be even worse for him, because he will then be politically isolated. The only one left on his side will be the Romanian Television.

The results of the local elections marked the beginning of the end for Romania's political rule from the center. Just in time, because otherwise the geopolitical drama into which the present rulers have pushed us would have led not to integration in Europe, but in the CIS or the Islamic bloc, or even under Turkish leadership. But that was not to be. *Hallelujah!*

## How Various Parties Fared in Elections

92BA0640C Bucharest *HARICADA* in Romanian  
25 Feb.-2 Mar 92 p. 1

[Article by Liviu Valenas "The Political Parties After the Local Elections"]

(Text)

## Polarization of the Political Spectrum

After the first round of administrative elections some conclusions can be drawn on developments among the political parties in Romania. The first thing we note is the obvious polarization of the Romanian political spectrum. Out of the 200 parties existing on election day, only 84 had candidates in the local elections. The question that legitimately arises is: what reasons prompted the establishment of the others, especially since theoretically they could have had their own candidates in at least one electoral district? Evidently, it has now become clear that the dark forces connected to the old communist-securist structures encouraged that avalanche of parties in order to prevent the Romanian electorate from crystallizing a clear political concept. But after the 9 February elections, this strategy—which was intended for the long term, can be viewed as a complete fiasco. A fiasco because, on the one hand, the phantom parties were not in a position to present any candidates, and on the other hand, because of the 84 parties that ran in the electoral contest, the electorate chose only seven parties or political alliances, namely the Democratic Convention, the National Salvation Front [FSN], Romania Mare, Romanian National Unity Party [PUNR], the Democratic Agrarian Party of Romania [PDAR], the Liberal Party [PNL], and the Ecology Movement of Romania [MER]. The other parties were rejected by the voters and suffered crushing defeats. Let us dwell on some of them. Although the Free Exchange Party, a comical hybrid political creation, ran candidates almost everywhere, it suffered a crushing defeat, with the 0.75 percent it got. An equally crushing defeat was suffered by one party of the militant right, namely the Republican Party. Although it was in the running everywhere and although it had tens of millions of lei in financing from the billionaire Lucian Cornescu-Ring, the Traditional Romanian Social Democratic Party also failed completely, so that its future existence is now in doubt. Failures that may well mark their demise were also incurred by other satellite or phantom parties, such as the Social Democratic FSN, the Free Democratic Party, or the Village Unity Party.

## Romania Mare—A Sad Surprise

The electorate evidently focused on the parties represented in Parliament, which were more familiar, too, thanks to the Parliamentary Chronicle shows on television. Two notable exceptions were Romania Mare and the Civic Alliance, which are not in Parliament, but only because they were established long after the 20 May 1990 elections. The public support for the Civic Alliance Party

[PAC] cannot now be precisely estimated because it ran as a member of the Democratic Convention. But if we take into consideration both the overall percentage points obtained by the Democratic Convention and especially its disparate electoral symbols, PAC did not win the number of votes expected. On the other hand, support for Romania Mare can be measured exactly because the party went to the election alone. This support came as a surprise to many people, for two reasons. One was the relatively large number of votes it won—2 to 8 percent (which nevertheless means a 4-percent average)—and the other was that in Wallachia it beat the Vatra Romaneasca Party (aka PUNR). On the one hand, Romania Mare no doubt counted on a stable electoral category, namely the forces of the old securitate activists of the former communist party, and certain army cadres, and on the other hand, the magazine ROMANIA MARE was a strong trump card and helped win a large number of votes.

#### Who Lost

Of course, the big loser in the administrative elections was the FSN. It lost substantially compared to the elections of 20 May 1990, something that was unequivocally admitted even by its national leader, Petre Roman. At this time it is very difficult to calculate the exact percentage by which the FSN lost, for several reasons. In order to glean a correct overall picture one would need to exactly calculate the percentage of votes the Front won in each electoral district; also, the 9 February election proceeded relatively incorrectly, especially in rural areas. FSN mavens played an essential role in winning a victory for the FSN, having used—as was consistently pointed out in the observers' reports—manipulation, chicanery, fraud, and even violence. The total percentage of votes won by the Front now seems to be 35 to 40 percent, which is nevertheless more than the 25 percent predicted by the opposition, but very little compared to the 66 percent obtained in 1990. Reports on irregularities committed in the 9 February elections that we have received to date allow us to assert that the Front this way inflated its results by at least 5 percent, especially in the rural districts. In Transylvania the fall of the Front was extremely serious; as of this election, the Front is no longer the leading political force there. The number of votes obtained by the Front in Transylvania varied, depending on area, between 10 and 30 percent. Only the votes granted by the Old Kingdom still allows the Front to entertain the illusion that it is still the major political force in the country.

Its failure in this election, whose causes are well known, will undoubtedly contribute to exacerbating the conflict inside the Front, as both wings will now accuse each other of exclusive responsibility for this serious failure.

#### The Key—Not as Evident a Success as Had Been Thought

The Democratic Convention was the big winner of this electoral game. Nevertheless, its success was not as

evident as it had been expected. First of all, we cannot view these elections as entirely free and honest. There was a big discrepancy between the urban and rural environments and in the manner in which the Democratic Convention won its votes. This shows that during the electoral campaign the Democratic Convention had but little free access to rural areas. Nevertheless, the Front's erosion in the countryside was obvious even to the skeptics, because even if the villages of the Old Kingdom voted, let us say, 60 to 70 percent for the Front, on 20 May 1990 it had been 100 percent. The Democratic Convention has not yet managed to completely win over this important segment of the electorate to its side. Another cause we could point out, which also cut into the success of the Democratic Convention, was the fact that its unity and cohesion were not quite perfect, because of some internal differences generally originating with the National Liberal Party (PNL), PAC, and even the UDMR (Democratic Union of Hungarians in Romania). Those frictions were certainly responsible for losing votes. The Democratic Convention was effective only in the areas in which it ran as a solid, compact bloc, with all its six important component parties. Wherever it ran like that, as for example in Timis County, it reaped an impressive success. On the other hand, wherever there was dissent, in the Jiu Valley or in the municipalities of Oradea, the Democratic Convention lost ground that it could have easily won.

Now the Democratic Convention is beginning to impress the electorate as a credible option. Thus, for the first time, the opposition overcame a psychological barrier among the electorate, a barrier that can be said to have existed for 45 years. For the future we can state that the opposition will score well only if it will run in unity.

#### 10 Percent for the Extreme Right

There has been much talk about whether the votes lost by the Front were to be equally divided between the extreme left and the extreme right. The results of the first round of local elections indicate that the extreme right was largely the winner of those votes. On the average, approximately 10 percent of the electorate turned to the extreme right, also known as national-communist according to another terminology, and represented by PUNR and Romania Mare. This 10 percent result is alarmingly high for any country that claims to be democratic, but much lower than the previous frightening predictions. Note that the PUNR was neatly defeated in the Old Kingdom. It did well only in certain areas of Transylvania, such as Mures Cluj, and Satu Mare, while in other Transylvanian regions it was clearly rejected. Romania Mare, on the other hand, obtained relatively good results throughout the country, something that proves that it already has a well organized underground network, established undoubtedly by the old securitate. That seems to indicate that the securitate has already broken between Vatra Romaneasca (PUNR) and Romania Mare, the latter being the winner, with its harshest extremist program. The extreme left represented in this election by the Democratic Left Union



overall suffered a bad defeat even though here and there as in the Galati municipality it scored well. The reasons for which the electorate rejected the extreme left are many, and the fact that the Socialist Labor Party was banned from the election no doubt contributed largely. In short, however, the fact is that after 45 years of communist totalitarianism, the electorate is rejecting the idea of a return to power of communism as a whole. I feel that the political analysts failed to examine carefully enough. Having lost this battle, I think that the extreme left will have great difficulties recovering, although it will undoubtedly fight on.

Center-left parties such as the Democratic Agrarian Party and the Ecological Movement and center-right parties such as the PNL AT (PNL Young Wing) obtained modest results, somewhat better in the case of the PDAR, which however cannot be satisfied with its general results in rural areas while the urban centers rejected it outright. The Ecological Movement has now proven that it is a hybrid group rejected by the electorate while the Liberal Party which ran under its old name of PNL AT with the 1 to 2 percent of got failed to recover the electorate of the original party from which it split.

The second round of elections will bring further clarifications regarding developments among the political parties but they will not substantially modify the conclusions of this analysis.

#### Ratiu Criticizes Manolescu's Ambitions

by BARBULEA Bucharest: DIMINEI 11/11/91 Romania  
18 hrs. 45 min.

Interview with Peasant Party Chairman Ion Ratiu by Tudorel Irian (place and date not given). I Will Never Engage in the Byzantine-Balkan Maneuvers I Have Seen in My Party and in Others.

[Text] Irian: Much has been said about your activities in the PNTCD (National Peasant-Christian Democratic Party) in the two years since the May 1990 elections. I even know some liberals who say that Mr. Ratiu is much closer to us than to the PNTCD. Is it because of some difference of temperament, ideology, or political culture that your political statements differ considerably from those of many of your party colleagues? The first thing that comes to mind is the stance you expressed in Parliament on the establishment of the communist party.

Ratiu: The truth is that I breathe communist air. I am a convinced democrat. I was never anything else. As a student in Romania I always felt that I was a democrat. I was never tempted to join the legionnaire movement (Iron Guards) like many other young men of the time who were mostly against King Carol and his son. The Peasant Party members were I was the only legionnaire freely elected to the Petru Poni Students' Union Committee in Cluj. Later I lived in the West and was active in several democratic movements there: United States, England, France, and Switzerland, where I had

to learn all about the political structure of those countries. Democracy is in my blood. My reactions are genuine and spontaneous. So when you are the way I am, you cannot have an undemocratic reaction. Our party, however, is a large party and has to tolerate various nuances. That is normal. You cannot make everyone conform to a rigid, preset mold. I think that from the point of view of democracy, one cannot stop the establishment of any party. I, with my convictions, will continue against the communist party in any form. All my writings, recognized in the West, testify to that. I will give you an example, so that you can better understand. If you have a dirty baby, what do you do with it? You put it in water and wash him. Then you throw out the dirty water, but not the baby. In this parable the dirty water is communism and the baby is democracy. By arbitrarily deciding that one person may not express their viewpoint and may not establish a party, we deny democracy. All the large countries have communist parties. It is my duty to struggle against the communist madness and point out its flaws, but not by denying its right to exist. I think that my position is normal for a democrat and my party colleagues understood that. In my turn I recognize that they lived through a trauma which they find very difficult to forget. I gained my life experience in democratic countries; they acquired theirs in communist jails. It is very difficult to make these people understand that the communist party must also be allowed to have its say.

Irian: Your logic is democratic and correct, but the voice of the party is not your voice. At the previous elections many admired you in the debate with the three candidates, when you were by far the best, but they were scared off by other speeches coming from the party, which were violently vengeful. The party should perhaps pick up more of your thinking.

Ratiu: I can explain my ideas, but I cannot force the other party leaders to accept them. There were presidential elections; there will be others. I will explain my stance, but the party can change too; it can evolve in its ideas and become much more tolerant. That is normal and the evolution is natural. I have every confidence that the party is fated to play an important role in our country and that gradually there will be changes, not only of personnel but also of ideology. For the time being, however, our situation is one of understanding of the fact that the majority of the 3.8 million members of the former PCR (Romanian Communist Party) were not convinced communists. That many PNTCD members want revenge is also natural, up to a point, because those people suffered. If I have a role in this party, I assure you that the party will follow the line I explained to you.

Irian: Many people believe that the PNTCD can be useful only if it is uncompromising. Others fear it for exactly the same reason.

Ratiu: In my case, I am uncompromising as far as democracy is concerned. I will have nothing to do with those who still hang on to the vestiges of communism. I



have the genuine tolerance of democracy because after all democracy means tolerance. As I said before, my slogan is "I will fight to my last drop of blood to secure your right not to agree with me."

[Urian] Why did you defend Parliament since the miners came?

[Ratiu] I defended it not because I have faith in it, but because of massive fraud. Nevertheless, this Parliament is already an authentic beginning of democracy that must be defended against anyone. I had discussions and even differences with my party because there was great pressure for us to pull out of Parliament. I said that was not good. And thank God, so far my belief prevailed. It is important that we stay in Parliament even if we have only one chance. But this voice is clear and unequivocal.

[Urian] At times, like many people who look from the fence, I believe that our political life is taking place in the mud. You, however, are a gentleman and therefore seem a bit naive. Perhaps also because you have not adjusted to the Balkan reality, in which theft, backstabbing, and slander are routine. You wear a bow tie.

[Ratiu] I would rather be accused of being naive. I would rather have it said about me that I don't grasp the Romanian realities, which is not true, but I think that my main role is to show that I can be a democrat here in the conditions prevailing in Romania. I do not think that I can overnight change the Romanian mentality. We already had a Balkan and Byzantine mentality long before I would have wanted to change that mentality, even if Romania had not experienced the communist trauma. I will continue to be what I am. In the end, my example will have an impact on the others. I never engage in the Byzantine-Balkan maneuvers that have been everywhere, both in my party and in others. I always kept myself above that and never responded to attacks. I tried to be as objective and as dignified as possible.

[Urian] How do you explain the haste with which Mr. Nicolae Manolescu announced his candidacy for the next presidential election?

[Ratiu] I think he made a mistake and that he showed lack of wisdom. His behavior is intended to suggest that he should be supported by the Convention, since he has officially announced his candidacy. I even read a statement he made in which he expressed the hope that neither I nor Mr. Ciampanu will run in the Convention. I think that Mr. Manolescu jumped the line. Since we have a Convention, these things should be decided jointly by all its members.

[Urian] What do you think about the liberalization of the Stoloian government?

[Ratiu] They said that their joining the government was made conditional in assurances that free elections will

be held and that the Stoloian government will hold the elections as soon as possible. I thought that the elections, both the general and the presidential elections, were to be held in April-May at the latest. I don't know how free the elections will be. I said even this a big question mark.

Mr. Manolescu's statement was stated that they lost by joining the government. The liberals are talking about independently leaving the coalition and separating the presidential election from the presidential one. I think these are stupid mistakes. Everyone should be interested in getting out of the current situation, because we will not get out of the current situation until after these elections. The liberals supported Mr. Ciampanu's candidature as a very possible concession in order to ensure that at least if all we did not run in which would not be a electoral symbol. All the other parties had to be satisfied in which they ran under their own name. In the end, there is my own electoral list. In 1990, we had a Civic Alliance candidature for mayor, for president, and an independent in municipal council. We conquered the top place everywhere, although in all these major cities our party organized the Convention and all the electoral gatherings. In this way we demonstrated our willingness to join the coalition to preserve the unity of the country and to let the others to do the same.

#### Army Press Bureau Duties, Relations With Media

[Ratiu] Interviewed by IPRs in Bucharest, Romania

Interviewed by IPRs, Colonel Moise, head of the Army Press Bureau, was asked the name, place, and date not to be disclosed.

Q: I have a question, Colonel. How do you see the role of the press in Romania? What, in fact, does it mean for the country?

Moise answered by beginning with a brief explanation of the role of the press in the Romanian Army. A high-ranking military journalist with 20 years of experience, Moise said that journalism is a very serious profession and requires great seriousness and responsibility. He said that the Ministry of Defense, through the job of army spokesman is interested in the press. The bureau maintains press contacts with the Romanian and foreign media and makes announcements on important matters of interest to the public.

Moise said that the press is different from those of any spokesman. The press is not a political party, and it is not a political party. The principle of press freedom is a very important principle and in the press, the press should tell the truth. The press should tell the truth regardless of their position. The press should tell the truth. When it comes to the press, the press should tell the truth. We should not be afraid to tell the truth. When the military press is not free, it is not free to decide to place

information under embargo did not tell journalists much. Their colleagues did not like that, but it saved human lives that might have been jeopardized by indiscretions.

A spokesman will avoid spreading internal, secret informations whose publication could cause damage to the military body, the country's independence and sovereignty, or the national interests. Complete transparency is not possible either in the military area, or in scientific research, the economy, etc. That is well known. As far as transparency is concerned, responsibility takes the priority.

[Ionascu] To our knowledge, the spokesman of the Ministry of National Defense is appointed by the minister. Do you think that this constitutes an impediment for the appointee in question?

[Moise] Other ministries have similar procedures. I do not see any impediment in it. That is the custom. What is important is that the spokesman should do his duty and what is more, that he make no mistakes. That is because, in view of his position, his mistakes do not affect only himself, but the institution in its entirety.

[Ionascu] Compared to other institutions, the Ministry of National Defense gives fewer press conferences. What is the relationship between the ministry's Press Bureau and the media?

[Moise] Thanks to its structure and social statute, the army revealed itself as a stable body whose activities are carried out on the basis of very clear laws and regulations which are generally known to the public and not often changed. Also, the calendar of the army instruction process is cyclically repeated in times of peace, a matter that has become familiar. For these reasons it has not been necessary to organize too many press conferences. In the same connection I would like to mention that the minister of national defense and other high-ranking cadres in the army leadership have responded to journalists' approaches, have given them interviews and have expressed their viewpoints regarding current matters of interest to the readership. Some of our army officers, both journalists and others, have written material for the written press and have participated in radio and television shows, passing information on the present concerns of the army. Similarly, we responded to every question from the press, including some coming from DIMINEATA.

We reported promptly on the army's major activities, tactical applications and exercises, troops' participation in dealing with the consequences of natural calamities like earthquakes and floods, their contribution to harvesting and transporting agricultural produce. We have issued reports on certain special events, such as aviation events, festive, cultural, commemorative or anniversary events, foreign affairs actions, and so forth. From our perspective, the Press Bureau's relations with the media are good. We have a fruitful cooperation with the ROMPRESS national press agency, with the radio and

television, and with the offices of many central and local newspapers. We wish to continue and strengthen this cooperation, primarily in the interest of the public.

[Ionascu] Spokesmen have quite a few critics. Why do you think they tend to "hit" at the spokesman more than the institution he represents?

[Moise] I think that those who criticize the spokesmen have primarily their institutions in mind. Still, I don't think there are many of those. The virulence of an attack does not necessarily reflect a reality. No one needs to fear such attacks as long as they are serving the truth, the law, and the institution they represent.

[Ionascu] As we know, the army does not engage in politics. What are the relations between the Army Press Bureau and newspapers directly controlled by political parties?

[Moise] I was glad to hear the preamble to your question. All of the army's actions have proven that it does not get involved in the activities of political parties and groups. The army pursues only one policy, that of the Romanian state and of defending Romania's unity, independence, sovereignty, and territorial integrity. The army respects the democratic state institutions established in the wake of free elections. When newspapers belonging to political parties interfered in any way in military matters, we reacted firmly and that is what we will do in the future, too. The army does not divide the country's citizens into PSN [National Salvation Front], liberals, Peasant Party, communists, etc. In case of war the army will defend the fatherland and all its citizens, regardless of their political color. We must not be governed by political hatred or division, but by a spirit of national unity. We must pay greater attention to the bridges that unite us, all the Romanians, for strengthening and defending the homeland. Unity makes for strength. There is no doubt that what unites us is far stronger than what could divide us! One way or another, all the parties want the good of the country. The disputes and political struggle between them should contribute to the country's prosperity, not to its collapse.

The relationship between our press bureau and newspapers directly controlled by political parties is shaped by the principle that the army must keep at an equal distance from all political parties. We make no distinction. We wish to have good relations with all the newspapers of the political parties and with as many press organs as possible.

[Ionascu] Is there a limit to the identity of opinion between the spokesman and the institution he represents? What do you think this identity should be like in the case of the Defense Ministry spokesman?

[Moise] A spokesman expresses the positions of his institution. If his stance is different or contrary, he should look for another job! Article No. 13 of the Universal Declaration of Human Rights states that any person is entitled to freedom of opinion and to

expressing it. The position, or perhaps personal view of a spokesman must coincide with the position of the institution and serve its interests.

[Ionascu] Reading the press is a daily duty for a spokesman. In concluding, please tell us what you think of DIMINEATA.

[Moise] The Romanian postrevolutionary press landscape has been populated by many publications that I read with pleasure. One of them is DIMINEATA. It is an interesting, well written newspaper that demonstrates the professionalism and journalistic experience of its staff. I am, of course, pleased that your newspaper found the space to carry materials in which army life was correctly presented, as well as communiqués and press items that our bureau was interested in bringing to the public.

#### **Financial Guard Chief Discusses Duties, Problems**

92BA0642A Bucharest BARICA DA in Romanian  
25 Feb. 3 Mar 92

[Interview in two installments with Gheorghe Florica, chief commissioner of the Financial Guard, by Ion Marin and Corina Toma, place and date not given. "Some Are Aggressive, Others Try To Bribe (1c)"]

[25 Feb p 10]

[Text] Our first meeting took place on a mild winter's evening. All that surrounded us were hideous buildings, meaningless hulks in an absurd flatland. We entered one of them, stepping in mud, on splinters, and on scraps of reinforced concrete. A fake BCA wall covered an entrance-to-be, protecting it from prying eyes and the revealing light.

We climbed to the second floor to enter into an unexpectedly small area, given the gigantic proportions of the building. It looked more like an suddenly shortened corridor, bathed in a dim light, several rooms on both sides, of rather modest dimensions, at various stages of completion. We were at the seat of the Financial Guard, to meet Gheorghe Florica, its chief commissioner. With a tinge of ruefulness in his voice, he said: "I have invited you here because I wanted you to see first of all the condition of the headquarters for which we have fought for one year. If you don't effectively become the job superintendent, nothing gets done. And I want you to note that out of the little we were given, two rooms that are now ready are occupied by the Virgil Madgearu National Institute." In front of us, through a narrow window, we could see Casa Republicii, ugly, huge, and unused, a Sphinx spawned by the long nightmare of Romanian architecture.

#### **The Guard Educates the Economic Sector**

[BARICA DA] To begin with, Mr. Commissioner, could you review the place and role of the Financial Guard in the state's system of regulatory agencies, as defined by regulatory statutes?

[Florica] I, as well as my collaborators, consider that at the present stage the Financial Guard plays, if not the first, at least the second role among the financial regulatory agencies. This is an opinion supported by reports from throughout the country, particularly for the Central Financial Guard, beginning with July of last year.

The role of this institution is clearly defined by Law No. 10/1991, whose provisions are incorporated and delineated in the operating directives issued by the Ministry of the Economy and Finances, and published in MONITORUL OFICIAL No. 139/1991. Briefly, the Financial Guard is an operative regulatory agency with functions in investigating and enforcing trade practice standards, as well as fiscal and customs regulations. In order to regulate these functions, the agents of the Financial Guard have the right to examine and seize files, records and supporting documents, to search public or private premises, to confiscate evidence of nonpayment of taxes and fees, to ascertain infractions and apply penalties, and to notify the courts when appropriate. In its activities, the Guard must observe the Penal Procedure Code and the provisions of Law No. 12/1990 which was reissued last year.

I would also like to point out that Guard agents have the right not only to wear the uniform and weapon they have been issued, but also to use the latter under legal conditions, if the circumstances require it.

[BARICA DA] But don't you feel that the uniform could make it easier for those who violate the law, because they could look out for Guard agents?

[Florica] As a matter of fact, we perceive the Guard as an education organ for the economic sector. Through our actions and presence, we want to make it easier for it to know the existing legal structure, thus preventing the commission of illegal actions. I will not conceal that many people come to us, often with problems that transcend our legal functions. Despite this, we strive to answer everyone, to the extent that we can, of course.

To get back to the question about the uniform, I should point out that there exists a regulation according to which, under certain conditions, with the approval of the general commissioner, activities can also be carried out in civilian clothes. Which is what is happening right now, since the uniforms are not made.

#### **In Italy, Guardia Fiscale Has Been Operating for Two Centuries**

[BARICA DA] From a historical perspective, the Financial Guard's not a recent presence in the Romanian

institutional landscape. What does the current organization have in common, and in which way is it different from the one that operated here between the two wars?"

[Florica] I can tell you that we are an institution specific to the market economy. In Romania, it operated until 1948-49, when it was replaced by other regulatory organizations, such as the Economic Police. Once we returned to the free market system, there also arose the need to re-establish this organization. We were obviously also guided by the old regulations in defining its organizational and operational structure, but 80-90 percent of the present Financial Guard is absolutely similar to its sister organizations in Italy and Portugal.

[BARICADA] But there are some differences.

[Florica] Of course. First of all due to the different level of economic development, and then because of experience. Let's not forget, for instance, that the Guardia Fiscale in Italy has a 227-year tradition.

[BARICADA] As far as we know, Italy also has a very severe fiscal law?

[Florica] Draconian. It has a large staff of more than 60,000 employees, who use planes and ships, who have very good salaries, as well as other advantages. That's their situation, but what happens there is much more complex than here, and I would not want to have it happen in our country.

[BARICADA] But in our case, how many of the positions are filled in your organization?

[Florica] About 59 percent, which means 870 out of 1,450 positions. This is now, because until November it was only 40-45 percent.

[BARICADA] Why is this?

[Florica] The selection process is very strict.

#### **Our People Take Karate Lessons**

[BARICADA] Can you tell us something about the selection criteria?

[Florica] To begin with, we hire only those with an advanced education, economic or legal. Of those, at least 40 percent if not one-half fail the medical examination and the psychological test, which is rather difficult. You see, men working with the Financial Guard must have very fast minds, minds that hum, if I may say so. Because during an operation, in an unforeseen situation, the reaction time is very short, and decisions must be made in an instant.

For that reason, the selection is very strict. I won't even tell you how strict it is for the Italians and Portuguese. It might be surprising to some, but public servants over there also have a rather solid personal file. And that's normal, because documents, and especially weapons, cannot be entrusted to just anyone.

Of course, we cannot say that we have carried out a flawless verification. With 800 men, there are some misses, especially since some aspects of personalities, of character, cannot be uncovered and tested. In plain language, it's a matter of personal nature.

[BARICADA] How do you proceed when these negative findings come to light?

[Florica] When attitudes that cannot be corrected become evident, we don't overlook them, but take measures to remove the person from the Financial Guard.

[BARICADA] What is the periodic "training" received by the Financial Guard agents?

[Florica] The primary emphasis is on professional training. Specifically, it consists in learning the regulations of each section (both in counties and at the Central Guard), which is mandatory once a week, and in addition, every time it becomes necessary.

For the time being, physical training has third or fourth priority. I know that I'm also to blame, although those who know me know that I was among the first in this training. But we hope that once the organizational problems have been solved, physical training along with military training will take second priority after the professional training.

However, you should know that in many counties the men learn karate or other forms of hand-to-hand combat once a week. Personally, I believe that such training is necessary for one or two hours a week.

[BARICADA] But military training?

[Florica] It is conducted anytime weapons are issued, which means especially in the countryside. In Bucharest you can see the situation at our offices.

#### **In a Butcher Shop, the Agents Were Threatened With a Cleaver**

[BARICADA] Have there been cases in which attempts have been made to use weapons or firearms against you or your agents?

[Florica] No, but there have been threats. Generally, these situations arise in public bars and restaurants where alcoholic drinks are served. It is interesting to note that most often they do not come from the owners, but from their employees or even the customers. A notable case occurred in a butcher shop, where the agents were threatened with beheading with a cleaver.

In general, I can tell you that in terms of behavior, some in the economic sector are aggressive, others are timid, as, but we remain lawmen and simply ask that the law be respected. But when the business people behave that way, they come to the attention of criminal prosecution agencies.



[3 Mar p 10]

[Text]

**The Great Majority of Inspected Commercial Companies Are Those With Private Capital**

[BARICADA] According to last year's records, what is the proportion of state companies among the inspected companies?

[Florica] We have checked 28,300 commercial companies, with 4,962 of them in Bucharest alone. I don't have the exact information at hand, but the great majority of inspected companies are those with private or joint capital, of the joint venture (last two words in English).

[BARICADA] In your opinion, what is the explanation of this phenomenon?

[Florica] State institutions are usually checked by other financial control agencies. But we have also investigated state enterprises and right now, we are working on the case of the refrigerator and freezer factory in Gaesti, a case with many ramifications that also have spread to other units, such as Avicola in the same town, as well as to private parties who have created regular storehouses at home, probably with the intention of exploiting the refrigerating equipment after the prices go up.

[BARICADA] Do you feel that the activity of the Financial Guard so far has discouraged some in the economic sector from fraud and law violations?

[Florica] It has certainly discouraged most of them. But there are people who don't want to straighten up, and who continue to pursue their activities outside the law after being fined.

[BARICADA] How should they be treated in order to bring them back within the law?

[Florica] I think that higher fines would be necessary, because their incomes probably allow them to readily tolerate a fine of 15,000 lei.

[BARICADA] Would canceling their right to operate be a solution?

[Florica] This problem is actively discussed, and we intend to bring it to the government's attention. In our opinion, canceling their authorization, their license, is the best solution, one which is actually used in other countries.

[BARICADA] An interdepartmental collective is currently finalizing a regulatory act mandating the use of electronic marking devices for the economic sector with commercial activities. But until now, no one from the Financial Guard has participated in the discussions. Why? Don't you think that the universal use of these devices is an effective means in the fight against tax evasion?

[Florica] The fact that we do not participate does not mean that we don't know or are ignoring the project. It has come through our offices, and was forwarded to the proper departments in the Ministry of Economy and Finance. As far as we are concerned, we think it would be desirable for this project to materialize, because the broad scale introduction of electronic marking and other such devices would prevent many flaws and thus support our regulatory agencies.

**Minimum Salary of an Agent Is the Present Salary of a Public Servant Who Was an Economist Before the Revolution**

[BARICADA] The press has recently voiced the opinion that the present salary system of Guard personnel, part of which comes from collected fines, has negative repercussions on the economic sector, which could thus be subjected to unjustified inspections and arbitrary fines. How do you respond to such statements?

[Florica] I want to say at the beginning, that our men don't go out on inspections with the intention of collecting fines from which they would benefit. You should know that the great majority of these inspections occur as a result of reports, and are thus justified. In the second place, please remember that most of the sums sent to the national budget represent late taxes and fees, which do not constitute an incentive. For instance, of the billion lei sent to the budget during last year, more than 500 million represented ICM's taxes on profits. And lastly, I don't know who would risk his peace, tranquility, and even life in order to become a Financial Guard agent with the idea that he could round out his income from fines.

[BARICADA] Can you tell us what the minimum salary in the institution which you...

[Florica] Yes, the minimum salary of an agent is the present salary of a public servant who was an Economist II before the revolution. Added to this is the indexing, and of course the "bonus," which in December 1991-January 1992 reached an average of 25,000 lei per month. But that was the gross amount.

**I Would Like the Press To Reflect as Faithfully as Possible the Activities of the Financial Guard**

[BARICADA] The next question is somewhat delicate.

[Florica] Go right ahead.

[BARICADA] How do you think the public views the Financial Guard? How about the economic sector?

[Florica] I think that except for a few who don't get along with the law, the rest look favorably on us. You might not believe it, but we receive letters from many in the economic sector who thank us for having been examined in time, thus clearing up various problems associated with their activities.



[BARICADA] And now the last question: What do you want 1992 to bring to your institution?

[Florica] I'll tell you very frankly. I would like first of all for all those in the economic sector who have been fined to become legal again. Personally, I am heartsick about all those who have reached that situation, but duty stands above all. In the second place, I would like to achieve a genuine unity of thought, will, and conduct between myself and all my collaborators, because that's the only way we will be able to become a true organization. I also want to receive the same understanding from all state agencies that I have received until now. And lastly, I would like the press to reflect the facts as faithfully as possible when it writes about the Financial Guard, and if they consult us beforehand, I promise that they will learn the truth, such as it is. If they act in this way, journalists will have nothing but friends among the personnel of the Financial Guard.

[BARICADA] Thank you commissioner, and we assure you that as far as our magazine is concerned, we will be always open to nothing but the truth.

[Florica] I thank you too.

[Box, p 10]

**Major Functions of the Financial Guard (Extract of Law No. 30/1991)**

Article 15. The Financial Guard performs operational and unannounced examinations of:

- a) Application and execution of fiscal laws and customs regulations, seeking to prevent any evasion or avoidance of tax or fee payments
- b) Compliance with commercial regulations, seeking to prevent contraband and any transactions forbidden by law

Article 17. In fulfilling its service functions, Financial Guard organs are empowered to:

- a) Inspect buildings and annexes in which goods are produced, stored, or sold, or in which taxable activities are conducted.
- b) Verify the existence and authenticity of supporting documents during transportation, and wherever production activities, services, and trade are conducted, when there are indications that fiscal obligations are being avoided or transactions forbidden by law are being carried out.
- c) Verify records and any other documents showing that fiscal obligations have been met.
- d) Under legal conditions and in accordance with the provisions of the Penal Procedures Code, search public or private premises—houses, yards, annexes, and gardens—if there are indications that they are used to

conceal goods or installations for manufacturing products without meeting fiscal obligations, or if other fiscal fraud is being committed.

- e) Under legal conditions, confiscate objects, products, and other evidence for which taxes and fees have not been paid, or whose fabrication and sale is forbidden, and seize documents that could serve to prove the uncovered fraud or violations.
- f) Report violations and apply appropriate penalties consistent with legal provisions.
- g) Notify penal prosecution agencies of violations uncovered while performing their service functions.
- h) Wear a uniform, and maintain and use the weapons and equipment issued, under legal conditions.

**Dijmarescu Queried on Economics, Politics, Reform**

92B40652A Bucharest: AZI in Romanian  
29 Feb. 3, 4 Mar 92

[Interview in three installments with Eugen Dijmarescu, leader of the Bucharest branch of the National Salvation Front and member of the Executive Committee, by Gabriel Barca, place and date not given. "Reform—the Only Solution"]

[29 Feb p 3]

[Text] [Barca] Mr. Dijmarescu, you just returned from Trieste. First of all, what exactly was the occasion? Because ROMPRES carried a very laconic report on the subject.

[Dijmarescu] A seminar was held in Trieste, organized by the Italian Socialist Party and the Austrian Social Democratic Party, on the topic "The Contribution of the Democratic and Reform Forces of Central Europe to the Process of Reform." I want to point out that the term "Central Europe" included its eastern part, too. Thus, the seminar was attended by representatives of all Central and East Europe, including representatives of the former Yugoslav republics. Only one representative attended for the former USSR, from Russia. Among the participants there were generally people representing various political currents, thus including liberal centrist tendencies. There were lengthy discussions on the topic of this liberal-social society and economy, a category not well known in our country, but which exists. The subject of the social market economy was also discussed. The important fact was that the meeting was cochaired by Italian Foreign Minister Gianni de Michelis and Austrian State Secretary Peter Jankowitsch, something that indicates the political importance that these countries attribute to the Central and East European area. The meeting can be said to have been dominated by three major themes. One—the problem of the rebirth of nationalism and the threat it poses to democracy in all the countries in this region. The second theme was the

danger of populism, and the third—the issue of economic reform. Regarding the first point there was general consensus, and I was glad to see that the Hungarian representatives, too, were critical about the nationalistic trends emerging in Europe, including Hungary.

[Barca] Who attended for Hungary?

[Dijmarescu] There were trade unions (who expressed a position, too), members of social democratic parties, the League for Democracy, and the Socialist Party (represented by Matyas Szuros, deputy speaker of the Hungarian parliament). In fact the theme of nationalism can be said to have dominated the discussions, because the anxiety is generalized and because this is at the same time the most dangerous factor, which may reverse the reform process in the East and Central European societies and bring back more or less totalitarian formulas and the one-party system in those countries.

[Barca] Which, of course, will compromise democracy and its economic component.

[Dijmarescu] Definitely! The second aspect was the debate on the danger of populism, which was extensively discussed by the Poles, Hungarians, Czechs, Slovaks, and the representatives of the new Yugoslav republics. Because, in view of the situation prevailing in those countries—Romania not excluded, of course—the culture drummed into the populations in question for 40 years is prompting people to think of adopting either demagogical measures, or measures apt to burden the entire society with the effects of cheap populism. The Polish delegation publicly denounced both President Walesa and the government for having practically stopped the reform as soon as they took over the leadership in Poland. That, of course, carries major implications for international relations. The Bulgarian delegation expressed extraordinary concern about measures recently taken, let's say since the "introduction of the reform," which in fact are designed to restore certain forms of property that at present cannot exactly be said to have a beneficial social effect.

[Barca] The kind of problems that threaten us, too, and that are in fact recurring everywhere and can be described, to paraphrase Mr. Roman, as a kind of restoration.

[Dijmarescu] In this case, a right-wing restoration.

[Barca] In the same way we could also talk of a left-wing restoration.

[Dijmarescu] Yes. During the discussions I also brought up the problem of the danger of not only a right-wing restoration, but also of a return to 1945. Our position was that the great threat is any restoration that can no longer coexist with the 1992 system. Present-day conditions are different, not to mention those of the future! The third aspect, as I was saying, was the economy.

There were lengthy discussions on the economic difficulties of the countries in question, all of which are practically in the same situation: declining production, inflation, unemployment. At the same time, the participants stressed the need to push the reform forward as fast as possible, because, in view of the populism and nationalism, it is the only viable alternative for the future consolidation of democracy. One particular point discussed was the issue of forms and formulas of financial assistance.

[3 Mar p. 5]

[Text] [Barca] That is precisely what I meant to ask. Did any new conclusions emerge in this respect?

[Dijmarescu] From a quantitative viewpoint, the participants—including the Italian and Austrian representatives—stated that the PHARE [Economic Reconstruction Aid for Poland and Hungary] and IMF programs are only emergency measures which cannot have an effect unless they are accompanied by an intensive inflow of commercial capital. In other words, the need to increase the "injected" dose was highlighted. One of the difficult aspects pointed out by everyone was the fact that the privatization of the major industries and of big state property cannot be carried out in a very short period of time, because of the fact that all the countries in our region lack capital, and secondly, because no foreign investment (or participation with capital or in the process of privatization of foreign investment), aside from the solution of political stability—which means eliminating the danger of nationalism and the tendencies of demagogical populism—can find an object. Interestingly, in countries that are somewhat "farther ahead," so to speak, at least in time, the reform is still either only in theory, or in marginal economic areas.

[Barca] With very few exceptions.

[Dijmarescu] Yes, with the exception of those who "made the newspapers" and who are very few. The situation in Czechoslovakia and Poland is the same. The solution is "inside." And from the other viewpoint, from outside, of course, apolitical forces like the ones presented by Austria and Italy, which—either within EFTA or the EEC—criticized U.S. involvement in this part of the world, meaning its present "reserve" as opposed to a more active involvement, the need for political cooperation toward a united Europe was strongly supported.

[Barca] In what way?

[Dijmarescu] The Hexagonale, as it was conceived, seems to have been a palliative without many chances of success, and was viewed as one stage toward the process of integration into "greater Europe." In other words, its time is just about passed, the high point was reached, and now it is beginning to decline both politically and economically.

[Barca] What about the Trilateral?



politics will in fact attenuate the other political forces in Romania or wherever else and will present the temptation of steering the political and economic life toward something like the former Yugoslav self-management. Such self-management was rejected—not now but for many years—even by the Yugoslavs themselves because it was an obstacle to progress. This brings us to another thing, which I pointed out in Trieste. As a social democratic party, the FSN found itself in the most ungrateful position since 20 May 1990 to date because while it was the political force recognized by most of the electorate, it shouldered the responsibility of reforming the society and the economic system.

**Barbu:** What do you think of Mr. Mitrea's statements about the direct negotiations with the PNL (National Liberal Party), PNT (National Peasant Party), and PSD (Social Democratic Party) (Cunescu)?

**Dismarescu:** Of course, the negotiations are purely political and what the leaders of those trade unions are negotiating with the parties in question, having pulled out from the negotiations with the government, in fact means creating the impression—in the country and abroad—that Romania is a country difficult to govern.

**Barbu:** Perhaps that was the idea.

**Dismarescu:** You see, we have to wonder whose idea this is the problem. Now we can categorically rule out the return of the USSR overnight. But the same danger bypasses what is happening in all the CIS (Commonwealth of Independent States) republics as it does Moscow's former satellites. I cannot accept that such a policy will be influenced by "center-right" forces from the other (Western) side of Europe. It is almost clear that this is a left or confusionist. However, in such confusion someone may end up as the loser because whatever a single party may do if it had the majority in Parliament (and formed a government by itself), the conditions inside and outside it will not change in the twinkling of an eye. This sort of thing takes a couple of years. On the other hand, I want to tell you most frankly that the guarantees that are being demanded from us are becoming increasingly not economic, but political in the sense of stable ruling systems and the continuity of a certain political line.

**Barbu:** So the issue is not so much having the tools but how functional those tools are.

**Dismarescu:** Precisely. And I want to tell you that there exists a very clear perception of the functionality of our Parliament. The situation is obvious as it is and any foreign observer or political force can see this big question mark regarding our ambiguous behavior because, for example, even with regard to the much-disputed law on the parties' electoral funding, it is incomprehensible that a party should propose such a bill through the government, in fact the other parties represented in government (and that the same political forces represented in the government should reject it in Parliament).

**Barbu:** Mr. Petre Roman repeatedly put it quite clearly: "The Front is not pursuing any restoration (either left-wing or right-wing). However, some people may mistakenly think that a third way might be intended. What additional arguments can you offer to avoid the confusion?"

**Dismarescu:** We are living at the end of the 20th century. In the history of capitalism, the forms and mechanisms of property changed fundamentally since the period between the two world wars and until the 1973-90 period. In Romania, our problem is building a society for the future. So the restoration Mr. Roman had in mind meant what some of our parties represented—out of demagoguery and other reasons—as a return to the pre-World War II era from whence we should continue with the Romanian economy. That however simply means cutting the firm, such a thing is impossible. Throughout this period we built enterprises, housing, and cities. To us, they are active and must be made to work under a different system. What some "advocates" of a right-wing restoration claim is in fact impossible to achieve. I will give you just one example. What would it mean to give Faurel back to Malaxa? Today, Faurel is a plant at least 150 times larger than in Malaxa's time. What should we give Malaxa? What he then owned in terms of capital? Should we give him all of Faurel? Should we give back the land in the form of large holdings? That's not possible. Even if, on paper, that could be drawn, in fact it is impossible. On the other hand, a left-wing restoration is nothing but "back to communism." What we want to do is certainly not a third way; we simply want to implement in 1992 Romania—and after 1992—the market mechanisms currently running in a market economy. Between Romania's former socialism and capitalism (contemporary capitalism, that being its name), there is no room for a third way.

## ROMANIA MARE Stance Discussed

*by Dan C. Buzanescu, DREPTUL in Romania  
18 Feb. 92, pp. 1-2*

Article in the *Procurorul*, "Searching and Seizing: Except the Trainers."

(Text) At least ROMANIA MARE has come out about the issue of reunification in the corner of a page, almost stealthily, and under a pseudonym. The paper was written in the specific style of that publication which makes you feel like you are in a dark room, you have found both your hands and your soul. About the importance of the issue made in a concise but revealing and to the point, but unorthodox manner. (1 copy).

We recently wrote that a party and a newspaper suspiciously entitled Romania Mare betrayed themselves by doing their damndest to avoid mentioning the unification of the largest territories still separated from the country founded in 1918: Bessarabia and Northern Bukovina. The real inspiration and leadership in this





9. **code** - letter assigned to something with no code value.  
**perm** - will be kept for future use as a permanent and  
**disord** - the top priority item of the department  
**superv** - the leading position

[illegible]



At least at first glance, this is even true, since he has all the possibilities for expanding Serbia territorially to an extent that it probably did not even have in the time of Dusan's kingdom. The "annexation" of Montenegro, so to speak, is already a fact in time, at least the Krain Krapina and eastern Slavonia may finally escape the Croatian gravitational field, under the auspices of the blue helmets, and Bosnia-Herzegovina, which will escape the Serbian iron embrace with difficulty, is at the heart of all this. The question, however, is whether these are the real goals of Milosevic's policy, since he and his Foreign Minister Jovanovic have discreetly renounced the idea of annexing the Krainas. Should this, modestly, be attributed to tactics, however?

In fact, we cannot deny the Serbian politicians' tactical abilities, since in a year and a half they have lost two wars that in spite of this are not considered the losers. Just the contrary—when Cyrus Vance (read Washington) took over the Yugoslav war, there was an important reversal in the interpretation of the "Yugoslav" war, it was not less ignoring the Hadinter commission's determination that the war in Yugoslavia has to do with the collapse of that state, and in his duty he is not only promoting the idea of Slovene, Croatian and Macedonian secessionism. Thus, no one was surprised by Milosevic's statement that after a certain meeting with Clinton, the belief began to prevail among the international public that the right to the "Yugoslav" option was equal in value to the right to secession and he expressed the hope that the international community, with its sensitivity to reality, would sooner or later acknowledge the actual situation in Yugoslavia.

Slovenia, Croatia, Bosnia-Herzegovina and Macedonia have never established a solid anti-Belgrade coalition, which was clearly a fatal mistake, as a result of which a great deal of blood was spilled and a great deal of time was lost. In any case, we should not repeat that mistake now, when the battle for Yugoslavia's future is about to begin. Specifically, if Milosevic, through political, military and tactical, in all directions, gets hold of the legal thread (this has to do above all with about 100 international and intergovernmental agreements), all of the secessionist republics will pay a high price. Slovenia will pay primarily an economic one, and the others will be considerably worse off.

It is almost not worth the while wasting words about Macedonia in this respect, since it is clear that a strong Serbia-Yugoslavia, together with Europe, will squelch it in a way from which it can only escape into the embrace of Bulgaria. In this regard, we should at least express amazement that Kiro Gligorov has not now declared the Slovene-Croatian risk. If he had done this a year ago, Macedonia's secession would have been substantially stronger, for southernmost republics will thus become a later gain international recognition, in the sense that it will be crushed and mercilessly crushed primarily by the Serbs and the Croatian patriots, but also by the large Albanian minority, which will become rampant when the Serbs are a national uprising force again in Kosovo.

Zagreb, which has actually found itself in completely calm weather after consenting to the arrival of the blue helmets, ought to be the first one to engage in a determined political counteroffensive against Serbia's intention of making up in peacetime for what it lost in the war. In all things, it is necessary to think of the ending. La Fontaine would have whispered to Tudjman when the latter led Croatia into a great trap with his ill-considered statements and promises, and especially with his indecisive political and military half-measures. In any case, our neighbor is now the big loser in the political field, since it is not even recognized as being the victim of aggression, moreover, everything indicates that it and Croatia will lose the territory occupied by the Serbs. In addition, this it has been exposed on the international scene to a sort of propaganda torture, which is being taken care of by organizations like Helsinki Watch, and especially by the widespread Serbian libels, which has recovered again from the shock of Milosevic's wars and is now working intensively against Slovenia as well.

Tudjman also led Croatia into a stalemate with his naive Bosnian policy; he let himself be taken in by Milosevic several times with respect to Bosnia, and the consequence has been the further radicalization of the western Herzegovina Croats (the resignation of Stjepan Kujundzic, who in any case voted for an independent Bosnia-Herzegovina in the referendum). Nevertheless, there are many indications that at critical moments they may go their own way, which would mean turning their backs on the Muslims and actually supporting Serbia's aspirations to break up Bosnia-Herzegovina. The Croatian leader is obviously also motivated by territorial appetites, although it seems that he does not understand that with the breakup of Bosnia-Herzegovina he would get a few spasms, on the one hand, but on the other hand the strategic geometry, which is already very unfavorable for Croatia, would be totally impaired.

In this time of great complication and outcome of the Yugoslav war, it is worth to the Bosnian put its example. A Serbian-Croatian coalition, and Bosnia is its nemesis, in this respect it is particularly important that Belgrade does not make its move into the alliance of the Croats and Muslims, which at this moment is the basis for an integral Bosnia-Herzegovina, which in turn without its two western allies is a condition for at least a semi-stable situation in the Balkans. Belgrade obviously does not understand that it should also give up something for the sake of some future tensions on the peninsula that would be at most approximately after the New European order. Instead of this, it is conducting a series of moves (troops, artillery units, etc.) in blood and land and in this way it is sending a warning from Washington that the great states recognize the results of the latest conflict and suppress the power of Bosnia.

It seems Washington has already recognized the actual situation, however, and it is probably will soon work towards a solution and Slovenia as well. That is Belgrade's first, in all aspects, occupied Bosnia-Herzegovina.



territory, and is now trying to derail the republic through very diverse incidents. All of this activity, of course, is aimed at "preparing" for 9 March, when large demonstrations by the Serbian opposition have been announced, but the main purpose is just the destabilization of Bosnia-Herzegovina, after which the "Yugoslav People's Army" would restore order and introduce some sort of military administration. If this scenario does not work out, a "blitzkrieg" civil war will probably come next: the deployment of military units and the secret organization of the Serbian population indicate an assault against all the most important lines of communication and population centers, the occupation of certain territories, and the isolation of the definitely Croatian or Muslim area. After all this, the blue helmets could come, which would—just as in the Krajinas— "preserve the status quo" and complete the work for the Serbian cause.

This or some other settling of accounts in Bosnia-Herzegovina is consequently only a question of time, or rather of a chosen moment: it is possible that it may begin precisely around the day of 9 March, which is ominous for Milosevic. Specifically, the Serbian leader knows quite well that everyone will condemn his "Bosnian graffiti," but he will also secretly receive quiet approval, especially if everything ends "quickly and elegantly." In fact, it is not a secret that many, especially the United States, want a strong state entity in the center of the Balkans that would prevent the spread of Islam into Europe, on one hand, and German penetration into the south (the "Baghdad railroad") on the other. It likewise seems that in the case of Bosnia Europe is not showing anything even close to the sensitivity that it showed with respect to Croatia and Slovenia.

Belgrade is also being assisted in these plans by Bosnian leader Alija Izetbegovic, who has already been caught in traps several times, especially a few days ago when he consented to General Kukanjac's proposal that the army take over some authority in Sarajevo. With this, the JNA's march to power and to the role of arbiter in interethnic conflicts, which is already well-known from the Croatian story, has de facto begun. It is not clear, however, whether Milosevic has support at home for this adventure. Are the Serbs prepared to be in yet a third war? Since Serbia is already functioning as a sort of two-headed dictatorship (by the ruling party and the army complex), it probably would not be that difficult to ensure the necessary mobilization of the population again, especially since in Serbian psychology crossing the Drina is something completely different from, for instance, an attack against Dubrovnik or Osijek.

Serbia, however, is still not a strong giant who chomps up his neighbors one after another. From 30 to 40 percent of the production capacities is being used, the average wage is below 150 marks, and monthly inflation is already 30 percent. The authorities are blinding the people with the alleged extreme interest of foreign capital in Serbia, but in actuality everything is going downhill and it is only a question of time when the economy,

which has survived so far on the printing of false money and on the plundering campaigns of the Yugoslav army, will collapse. When will the social threshold be reached at which the exhausted population will lose its will to keep on fighting for the great goals of Serbdom, and turn against those who manipulated it with an absolute lack of scruples? When will the tolerance of the 2 million Albanians, the Muslims in the Sandzak, and also the increasingly more vocal Hungarian minority disappear? And how will Milosevic's regime respond to all this: will it finally just retire, or will it also use tanks and aircraft against its own population in the defense of the lawful state?

After two wars and on the threshold of a third one, Yugoslavia is like a solar system that has lost its internal equilibrium, and now the celestial bodies are going astray or escaping from the common gravitational field. Even this chaos, however, has certain internal laws of its own, in which respect the time factor is still particularly important: it depends on moments, so to speak, whether two bodies will collide or be caught up in some new equilibrium. That is why political analysis here is actually the manipulation of many unknowns, while at least one thing is hard to deny: The Yugoslav crisis began in Serbia, and it will also end there.

#### **Ethnic Sensitivity About Macedonian Law on Names**

42B405964 Skopje, NOVA MAKEDONIIJA  
in Macedonian '30 Feb 92 p.

[Article by K. Chingova, "Tiric Chut for Personal Names"—first paragraph is NOVA MAKEDONIIJA introduction]

Text] Eight months was not enough time to clarify and elucidate the dilemmas concerning the amendment of the PDP (Party for Democratic Prosperity) deputy group on the Law on Personal Names. Within just four days, the government provided a diametrically opposed view.

The practice so far of passing laws or amendments to laws indicates that, for a variety of reasons, some documents must travel a long distance before completion. A typical example is the Law on Personal Names or, more accurately, its amendment and supplements. At the last parliamentary session, when it was due to be passed, this law was withdrawn by its author. The reason given was that there were various interpretations of the constitutional foundations for the changes proposed by the government and the legislative commission. Actually, the amendments to the text that had been suggested led to a peculiar constitutional barrier and, at least for an indefinite period, an impasse. The Gordian knot was tightened the moment the government, in the course of no more than four days, changed its mind in order to meet the request of the PDP that the names of the nationalities be written with their original spellings as well as in the Cyrillic alphabet. This change of mind by

an official authority did not go unnoticed. The independent representative Todor Petrov submitted at that same session an amendment to the amendment already submitted by the government, which was absolutely identical to the original view held the government.

### Chronology of the Law

To clarify the way this situation was reached, let us trace the chronology of this law. It had its beginning eight months ago, when the Macedonian members of parliament were asked for the first time to deal with changes in the Law on Personal Names. In the middle of July of last year, the representatives drafted a law whose amendments were consistent with the spirit of the new pluralistic democratic society on whose waters our parliamentary structure is sailing that removed obstacles imposed by the broad discretionary rule of the pertinent state authorities, so that a choice of name would be a free choice of a citizen, with no restrictions whatsoever. This meant that the term "national or religious hatred and intolerance" was to be rejected, or, more accurately, that the citizens were given the right to be protected from any infringements concerning the national, religious, or cultural meaning of names, unless it was a question of protecting public morality.

However, everything seems to indicate that this proposal was not considered sufficiently liberal for the party of the Albanians, so that the PDP submitted an amendment according to which the names of the members of ethnic groups would be inscribed in the birth records in their original alphabet as well as in Cyrillic letters, which according to the authors, would eliminate difficulties in the spelling of the names and provide accurate transcription. This request was not approved by either civil status officials or the Republic's Assembly. Because of opposite views, particularly those of the VMRO-DPMNE (Internal Macedonian Revolutionary Organization, Democratic Party for Macedonian National Unity) parliamentary group, which objected, claiming that this would lay a good foundation for doing the same with all other public documents, an agreement was reached to table the issue of personal names until the new Constitution was adopted.

### Two Opposite Views

In updating the amendment of the PDP to the Law on Personal Names, the government firmly took the viewpoint that the draft was unacceptable, the more so because issuing identity cards and their content are a matter for the state and not for local self-governments. Hence, it was the view of the government that the adoption of the amendment on 14 February of last year would violate Article 7 of the Constitution, which stipulates that the official language in Macedonia is Macedonian, written in the Cyrillic alphabet, while in local self-government units, where members of ethnic groups other than Macedonian are in the majority, the language and alphabet of the respective ethnic group, in addition to Macedonian and Cyrillic, may be used in the manner

and under conditions stipulated by the law. This was the first position taken by the government on the amendment submitted by the representatives of the Albanian Party, the second, which was submitted on 18 February, fully supported the PDP, which asked that the names of various ethnic groups be written in accordance with their original pronunciation and that the Latin transcription and the original spelling be put in parentheses. The justification for this was to eliminate difficulties in the writing of names of the ethnic groups in the Republic.

The amendment to the amendment submitted by the government, after it had changed its way of thinking, was submitted by Todor Petrov on the same day, three hours later. He warned that the motion of the government and the PDP amendments were unconstitutional. This was the same amendment initially proposed by the government. What is the situation now? We assume as follows. The government is perhaps unable to reject the strong pressure applied by the parties of the Albanian population so that, in the interest of having peace at home, it is reversing itself. It would be unsuitable to comment on this, but it is clear that our expert and skilful government is now sliding on slippery ground. It is more than certain that such actions are unseemly, not only because it is adopting unconstitutional resolutions but, above all, because the public is being unnecessarily misled.

### DELO Commentary on Army Reorganization

92B40658B Ljubljana: DELO in Slovene, 1 Mar 92, p. 1.

[Article by Boris Jez. "The JNA on the Chopping-Block"]

[Text] The army, which has been in two wars in a year and a half, is now apparently rapidly reorganizing (or rather being reorganized). The question, however, is whether the renovation will be successful, since it is already being entangled little by little in a possible third war, and furthermore the economic and social foundations upon which it stands are rapidly deteriorating.

The reorganization of the JNA (Yugoslav People's Army) actually began spectacularly, since the main protagonists of the military involvement in Slovenia and Croatia (Kadijevic and Brovet) retired overnight, along with a considerable part of the corps of generals. What is hidden behind this move, of course, is not just the intention of virtually cutting the army in half during the next two years. Specifically, last year the JNA consisted of 280,000 soldiers and 40,000 officers; now it has approximately 165,000 recruits, and eventually it is supposed to consent to numbers between 80,000 and 100,000. At the same time, the officer corps is supposed to be cut back to about 25,000. That they are thinking seriously about this is proven, among other things, by the fact that this year, for the first time, they did not schedule a competition for admission to the military secondary schools and academies; furthermore, this respite is obviously to be used for reeducating the instructors.

In Belgrade the reorganization of the JNA is justified above all by a "higher level of strategic-operational dynamism" but it is also not concealed that the JNA has to be adapted to the economic capabilities of the "new state community." By this term BORBA means the community of Serbia and Montenegro, but it is clear that such a number of soldiers and officers "cannot be assembled" without Bosnia-Herzegovina as well. Furthermore, it is a fact that Adzic moved seven corps into Bosnia-Herzegovina, three of which are in the wedge of northwestern Bosnia that is indented into Croatian territory. In this regard we must not overlook the administrative setup. Most of these units are linked across Bosnia-Herzegovina's borders with the Krajinas or directly with Belgrade and Titograd. All of this of course speaks by itself about Serbia's intentions regarding Bosnia-Herzegovina.

Belgrade politics is also using ideological reasons to explain the reorganization, since the departing officers are supposed to be taking with them such throwbacks to the party army as "enormous individual services in forcing officers into the LC Movement for Yugoslavia at one time." Politics even attributes to them moral awkwardness and ethical hermaphroditism, which indicates the harshness with which the Kadjevic and Brovet enterprise was dealt with. In the coming months, Milosevic's propaganda machinery will certainly angrily scatter manure on them as the principal culprits for the war and for all of Serbia's hardships, whereas we of course will maliciously recall "We predicted that in the end they would get what they deserved." The West of course will gladly accept the arguments of Milosevic's propaganda, since the present Serbian leader, in spite of everything, is a better interlocutor than any Adzic.

The essence of the current reorganization of the JNA also lies in the fact that Milosevic is obstinately finally assuming command. Since the relations between the generals' leadership and the Serbian leadership were complicated and at times scarcely comprehensible, it is now clear that the army's political power has decreased considerably, since no army has ever been put in half at its own initiative. Adzic, who was once attributed with great influence, has actually become a secondary figure with respect to Serbia's present peace policy, but one who can still cause Milosevic some gray hairs. Clumsy as an elephant in a Bosnian china shop, he can still do a great deal of harm and move Belgrade in a new war, which it undoubtedly does not want at this moment.

Adzic may also be dangerous to Milosevic because it is not known how high his "lower" limit of tolerance extends with respect to the dismantling of the JNA, the poorly paid, dissatisfied army will undoubtedly be one of the main dangers to the "new state community."

The army, which we were still fighting barely a year and a half ago, has consequently been forced into an uncertain and unclear process of reorganization, which may end just as wretchedly as for most of the Red Army to date. It cannot even be otherwise, since Adzic's general staff has already lost two wars, and now in Bosnia-Herzegovina it has been stuck as if in a big trap, from which the JNA will no longer be able to climb out "in one piece."

### Unemployment Continues To Increase in Montenegro

41.2603195792 Titograd *POBJEDA* in Serbo-Croatian  
16 Mar 92 p 4

[Report by Z. Boskovic: "Redundancy for Headaches"]

[Excerpt] Titograd, 13 Mar—The fact that a headache can be caused by excess is best demonstrated by the current state of Montenegrin economy. Of course, the excess in this case refers to the technological surplus of workers in a large number of Montenegrin companies. In some of them the problem is so marked that its immediate solution is vital to their future existence and successful performance on the market.

We formed working groups that visited about 70 companies to find out about the technological and economic surplus. Based on the research and information we received from about 85 companies during the last two years, we can now say that 8,000 workers have been laid off. They will most likely be joined by another 900 from some 10 companies where the process of establishing technological surplus is currently taking place. We were told by Ratko Bakrac, deputy minister of employment and work relations. On top of this, there are some 4,800 workers who lost their jobs last year because their companies went bankrupt and they will be joined for the same reason by another 2,250 workers this year. However, that is not all. There is the social sector where, due to the process of rationalization, about 1,250 workers will probably be laid off. So when all this is added up, it turns out that in Montenegro this year 13,000 people will be told, in rough legal terms, that their services are no longer needed. [passage omitted]

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